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SPECIAL COMMITTEE ON THE SITUATION WITH
REGARD TO THE IMPLEMENTATION OF THE
DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES
AND PEOPLES

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BASUTOLAND, BECHUANALAND AND SWAZILAND

Report of the Secretary-General

1. The question of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (General Assembly resolution 1514 (XV) of 14 December 1960) in respect of Basutoland, Bechuanaland and Swaziland was first considered by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in May-June 1962. In the course of the discussion of this item in the Special Committee, several members expressed concern about the economic situation in these Territories and emphasized the need for providing them with additional economic, financial and technical assistance.
2. A resolution adopted by the Special Committee on 7 June 1962 for the consideration of the General Assembly^{1/} contained the following paragraphs relating to the economic and social situation in the three Territories:

"Deploing the particularly alarming economic and social situation prevailing in the High Commission Territories after several decades of the colonial régime,

...

"4. To make a serious effort to provide economic, financial and technical assistance through United Nations programmes of technical co-operation and the specialized agencies, in order to remedy the deplorable economic and social situation of the three Territories;"

^{1/} Official Records of the General Assembly, Seventeenth Session, Annexes, addendum to agenda item 25, document A/5238, chapter V, para. 214.

3. At its seventeenth session, the General Assembly, following consideration in its plenary meetings of the report of the Special Committee covering its work in 1962 (A/5238), adopted resolution 1817 (XVII) of 18 December 1962 on the question of Basutoland, Bechuanaland and Swaziland. This resolution, inter alia, contained the following:

"Deploing the particularly alarming economic and social situation prevailing in Basutoland, Bechuanaland and Swaziland after several decades of colonial rule,

...

"4. Considers that a serious effort should be made to provide economic, financial and technical assistance, through United Nations programmes of technical co-operation and the specialized agencies, in order to remedy the deplorable economic and social situation of the three Territories;"

4. The situation in the three Territories was again considered by the Special Committee in July 1963. The resolution on these Territories adopted by the Committee on 26 July 1963,^{2/} inter alia, provided as follows:

"Mindful of the unsatisfactory state of economic, financial and social conditions in these three Territories and their dire need for external assistance,

...

"6. To make increasing efforts to provide economic, financial and technical assistance commensurate with the special needs of the Territories through the United Nations programmes of technical co-operation and the specialized agencies."

5. At its eighteenth session, the General Assembly, following consideration in its plenary meetings of the report of the Special Committee covering its work in 1963 (A/5446/Rev.1), adopted resolution 1954 (XVIII) of 11 December 1963 on the question of Basutoland, Bechuanaland and Swaziland. This resolution, inter alia, provided as follows:

"Mindful of the unsatisfactory economic, financial and social conditions in these three Territories and their dire need for external assistance,

...

^{2/} Ibid., Eighteenth Session, Annexes, addendum to agenda item 23, document A/5446/Rev.1, chapter IX, para. 113.

"5. Requests the Secretary-General to provide economic, financial and technical assistance commensurate with the special needs of the Territories through the United Nations programmes of technical co-operation and the specialized agencies."

6. The Special Committee considered the situation in the three Territories for the third time during October-November 1964. During the consideration of this question, the Committee also had before it a report by the Secretary-General dated 19 October 1964 (A/AC.109/98) containing a summary of the information received from the United Nations agencies concerning the steps they had taken to increase economic, financial and technical assistance to the Territories in the light of operative paragraph 5 of General Assembly resolution 1954 (XVIII).

7. A resolution adopted by the Special Committee on 2 November 1964 (A/AC.109/103) contained the following paragraphs relating to the economic and social situation in the three Territories:

"Taking into account the fact that the economic and social situation in the three Territories is critical,

"Noting with appreciation the action taken by the Secretary-General, through United Nations programmes of technical assistance and the specialized agencies, to provide economic, financial and technical assistance for these Territories,

...

"5. Requests the Secretary-General, in consultation with the administering Power, to undertake a study as to the ways and means of ensuring the economic independence of these Territories vis-à-vis the Republic of South Africa and to submit a report to the Special Committee and the General Assembly;

"6. Requests the Secretary-General to intensify, in co-operation with the specialized agencies, programmes of economic, technical and financial assistance to these Territories."

8. This report is submitted to the Special Committee and to the General Assembly in accordance with the request addressed to the Secretary-General in paragraph 5 of the Special Committee's resolution of 2 November 1964 referred to above.

9. By letter dated 6 November 1964, the Secretary-General transmitted a copy of the Special Committee's resolution to the Permanent Representative of the United Kingdom to the United Nations and inquired as to what extent his Government would

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be prepared to assist the Secretary-General in the preparation of the study called for by the Special Committee. Following this, discussions concerning the matter were held between representatives of the United Kingdom Government and the Secretary-General in New York and, later, in London.

10. During these discussions, the representative of the Secretary-General pointed out that the Secretary-General had been requested by the Special Committee to undertake the study "in consultation with the administering Power".

11. The representative of the United Kingdom recalled that, during the debate on the resolution in the Special Committee, his delegation had made clear its position in regard to paragraph 5 of the resolution. At that time, he had said that the study called for was unrealistic since the plain facts of geography were such that there was inevitably a high degree of economic interdependence between these Territories and South Africa. The representative of the United Kingdom stated further that while his Government continued to maintain that position in respect of the specific study called for by the Special Committee in paragraph 5 of its resolution of 2 November 1964, it was interested in finding ways of increased co-operation between the United Kingdom and the Secretary-General. In that context, his Government would consider the possibilities of co-operation with the Secretary-General in a study of the economic needs of these Territories.

12. Subsequently, in a letter dated 15 March 1965, the Permanent Representative of the United Kingdom informed the Secretary-General as follows:

"My Government would be glad to co-operate with the Secretary-General in a study of the economic needs of these Territories. It proposes to invite a three-man team to visit the Territories with the following terms of reference:

'To investigate and advise upon the scope for additional economic and technical assistance to Basutoland, Bechuanaland and Swaziland.'

"My Government would be happy if the Secretary-General would suggest a member of the Secretariat as Chairman and the name of another person to be a member of the team, the third being selected by my Government. In accordance with normal practice the team would report to my Government and its report would simultaneously be available to the Secretary-General and the Governments of the Territories. The expenses of the visit would be borne by my Government.

/...

"My Government hopes that the Secretary-General may be able to assist them in the manner proposed. The suggestion is that the team should visit the Territories in May."

13. On 5 April 1965, the Secretary-General informed the Permanent Representative of the United Kingdom as follows:

"The Secretary-General welcomes the offer of the United Kingdom Government to co-operate with him in a study of the economic needs of these Territories and is glad to agree to the proposals of your Government concerning the visit to the Territories of a Three-man Team.

"The Secretary-General would regard this operation as coming within the context of the 'consultation with the administering Power' envisaged in operative paragraph 5 of the Special Committee's resolution."

14. Accordingly, the Secretary-General nominated Mr. M.E. Chacko, Director of the Department of Trusteeship and Non-Self-Governing Territories, as Chairman and Mr. M. Minchin, of the same Department, as a member of the Mission. The United Kingdom Government nominated Mr. P.S. McLean, O.B.E., of the Ministry of Overseas Development, as a member.

15. The Mission visited the three Territories in May-June 1965 and submitted its report to the United Kingdom Government. In accordance with the original arrangement, the report was simultaneously made available to the Secretary-General by the United Kingdom. The letter transmitting it to the Secretary-General and the report of the Mission are annexed to the present report for the information of the members of the Special Committee and the General Assembly.

16. The Secretary-General is aware of the great concern of the Special Committee and of the General Assembly, as expressed in the various resolutions referred to earlier, about the economic situation in the three Territories and the need to take effective steps to improve the situation. He also noted that a resolution on Basutoland, Bechuanaland and Swaziland adopted by the Special Committee on 17 June 1965 during its meetings in Africa (A/AC.109/127) included the following paragraphs concerning the economic situation in these Territories:

"Noting with concern the preponderant influence of the Government of the Republic of South Africa and certain financial interests in the three Territories,

...

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"Being aware of the unsatisfactory economic, financial and social conditions in the three Territories and their imperative need for United Nations assistance,

...

"6. Requests the Secretary-General, pending the completion of the study requested in paragraph 5 of its resolution of 2 November 1964, to intensify in co-operation with the specialized agencies the provision of economic, financial and technical assistance commensurate with the special needs of the Territories;"

17. The Secretary-General has considered the economic and social situation in the three Territories on the basis of the information available to him, including that contained in the Mission's report.

18. The Mission has concluded that considerable funds would have to be made available to the three Territories if they are to be enabled to take steps to develop the various sectors of the economy. At present, economic, financial and technical assistance is being made available to the Territories by the United Kingdom and by the agencies of the United Nations. It may be assumed that this assistance will continue to be made available to the three Territories. However, it is clear from the Mission's analysis of the situation in the three Territories that continued assistance from the United Kingdom and by the agencies of the United Nations on the present scale, or even on a moderately increased scale, would not meet the needs of the situation as indicated in the various resolutions referred to above, or the intentions of the Special Committee as expressed in operative paragraph 5 of its resolution of 2 November 1964.

19. In the circumstances, the Secretary-General would propose for the consideration of the Special Committee and the General Assembly the establishment of a fund for assistance to Basutoland, Bechuanaland and Swaziland which would be made available for the economic development of the Territories to supplement the assistance provided by the administering Power and the agencies of the United Nations. Such a fund would be made up of voluntary contributions by Member States and would be administered by the Secretary-General, in close consultation with the Governments of the three Territories and with the co-operation and assistance of the Special Fund, the Technical Assistance Board, the Economic Commission for Africa and the specialized agencies concerned.

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20. In making this recommendation, the Secretary-General also has in mind the recognition by the Special Committee and by the General Assembly in their resolutions that these Territories need external assistance. He believes that this proposal, if accepted, would be a positive step in the direction of achieving the objective desired by the Special Committee.

21. The Secretary-General also endorses the suggestion by the Mission that immediate steps be taken by the administering Power to establish properly staffed planning machinery in each Territory. As envisaged by the Mission, economic planning and statistical units would be set up in each Territory to assist in the drawing up and periodic review of a comprehensive and co-ordinated long-range development plan. If the Secretary-General's proposal for the establishment of a fund is accepted, the economic planning and statistical units would also be invaluable as a means of providing the necessary basic information to enable the fund to be directed towards projects which would make the greatest possible contribution to the development of these Territories.

22. It is also the intention of the Secretary-General to recommend, at the appropriate time, the establishment in each Territory of a United Nations Technical Assistance Office headed by a resident representative and staffed by the necessary personnel to expedite and co-ordinate all United Nations assistance to the Territory concerned, including that made available from the proposed fund, if one is established on the basis of his proposals.

ANNEX

Letter dated 23 August 1965 from the Permanent Representative
of the United Kingdom of Great Britain and Northern Ireland
to the United Nations addressed to the Secretary-General of
the United Nations

I have the honour to forward a copy of the report of a Mission to Basutoland, Bechuanaland and Swaziland comprising Mr. M.E. Chacko as Chairman and Mr. M. Minchin and Mr. P.S. McLean as members, to investigate and advise upon the scope for additional economic and technical assistance to these Territories. The report is forwarded in accordance with the undertaking given when the establishment of the Mission was announced in the House of Commons on 7 May that copies of the report would be made available to Your Excellency and to the Governments of the Territories simultaneously with its submission to the United Kingdom Government.

In transmitting the report I wish to express to Your Excellency the thanks of my Government and myself for your co-operation in agreeing to nominate and make available the services of the Chairman and a member of the Mission as proposed by the United Kingdom Government.

(Signed) CARADON

BASUTOLAND, BECHUANALAND PROTECTORATE AND SWAZILAND:
REPORT OF AN ECONOMIC AND TECHNICAL ASSISTANCE MISSION

(MAY-JUNE 1965)

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LETTER OF TRANSMITTAL

23 August 1965

Sir,

I have the honour to refer to the letter dated 15 March 1965 from the United Kingdom Mission to the United Nations addressed to the Secretary-General of the United Nations, and to the Secretary-General's reply thereto dated 5 April 1965, under the terms of which a three-man Mission was established to visit the Territories of Basutoland, Bechuanaland and Swaziland to investigate and advise upon the scope for additional economic and technical assistance to these Territories.

Under the terms of its establishment, the Mission was required to report to the United Kingdom Government, the report being simultaneously made available to the Secretary-General of the United Nations and to the Governments of the three Territories.

I now have the honour to submit herewith the report of the Mission for transmission to the United Kingdom Government. I am also enclosing additional copies of the report for simultaneous transmission to the Secretary-General and to the Governments of the Territories.

Accept, Sir, the assurances of my highest consideration.

(Signed) M.E. CHACKO
Chairman
Mission to Basutoland,
Bechuanaland and Swaziland

H.E. the Rt. Hon. Lord Caradon, G.C.M.G., K.C.V.O.
Minister of State for Foreign Affairs
Permanent Representative of the United Kingdom
to the United Nations
845 Third Avenue, 10th Floor
New York 22, N.Y.

INTRODUCTION

Establishment and terms of reference of the Mission

1. The economic situation in the Territories of Basutoland, Bechuanaland and Swaziland has been the subject of discussions between the United Kingdom Government and the Secretary-General of the United Nations since November 1964 in the context of a resolution on these Territories adopted by the Special Committee of Twenty-Four on 2 November 1964. Following these discussions, the United Kingdom Mission to the United Nations in a communication dated 15 March 1965, informed the Secretary-General that the United Kingdom Government would be glad to co-operate with him in a study of the economic needs of these Territories. It proposed to invite a three-man Mission to visit the Territories with the following terms of reference: "To investigate and advise upon the scope for additional economic and technical assistance to Basutoland, Bechuanaland and Swaziland." The Mission would be composed of a Chairman and one member nominated by the Secretary-General and another member nominated by the United Kingdom Government. It would report to the United Kingdom Government and the report would simultaneously be made available to the Secretary-General and the Governments of the three Territories. The expenses of the visit would be borne by the United Kingdom Government.
2. The Secretary-General welcomed the offer of co-operation by the United Kingdom Government and agreed to the proposals concerning the Mission. Accordingly, the Secretary-General nominated a Chairman and one member and the United Kingdom nominated another member. The Mission thus established was composed as follows:

Chairman
(nominated by the
Secretary-General)

M.E. Chacko,

Director, Department of
Trusteeship and Non-Self-
Governing Territories,
United Nations

Member
(nominated by the
Secretary-General)

M. Minchin,

Chief, Reports Section,
Department of Trusteeship
and Non-Self-Governing
Territories, United Nations

Member
(nominated by the
United Kingdom Government)

P.S. McLean, O.B.E., Ministry of Overseas
Development, formerly
Secretary for Planning with
the Government of Uganda

The United Kingdom Government appointed C.H. Godden of the Colonial Office as Secretary of the Mission.

3. We, the members of the Mission, assembled in London on 13 May 1965. On 13 and 14 May, we held discussions with officials of the Ministry of Overseas Development and the Colonial Office. We also had the benefit of discussions with the Colonial Secretary, Mr. Anthony Greenwood, M.P., and the Parliamentary Under-Secretary of State for the Colonies, Mrs. Eirene White, M.P.

Visit to the Territories

4. We left London on 15 May and arrived in Swaziland on the following day. We visited Swaziland from 16 to 24 May; Bechuanaland from 24 May to 3 June; and Basutoland from 3 to 10 June.

5. In each Territory, we had detailed discussions with the heads of the various government departments, both administrative and technical, as well as their senior advisers. We met these officials jointly and separately. In addition to the information furnished to us orally, they also made available to us a number of written papers relating to development problems. We were also supplied with copies of various published and unpublished reports of previous missions and experts.

6. In addition, we had discussions with members of political parties, private persons and organizations who wished to talk to the Mission.

7. In Bechuanaland, we had discussions with the sub-regional representative of the United Nations Technical Assistance Board and Special Fund stationed in Gaberones.

8. Further, in Swaziland, we had the benefit of discussions with H.M. Commissioner, the Ngwenyama (Paramount Chief), the Swazi National Council and the Economic Advisory Council. In Bechuanaland, we had discussions with the Acting H.M. Commissioner, the Prime Minister, the Deputy Prime Minister and other members of the Cabinet and the Economic Co-ordinating Authority. In Basutoland, we had discussions with Motlotlehi (Paramount Chief), the Prime Minister, the Deputy Prime Minister and other members of the Cabinet and the British Government Representative.

9. Owing to the limited time available to us, we were unable to make a complete tour of the three Territories. However, chartered planes placed at our disposal enabled us to see much of the Territories from the air and to visit some of the more important places.

/...

10. The Mission left Basutoland on 10 June, arriving in Lusaka that afternoon. On 11 and 12 June, we held discussions with the representative of the United Nations Technical Assistance Board and Special Fund for Central and Southern Africa. We left Lusaka on 12 June in the evening and arrived in London on the following day.

11. On our return to London, we had the benefit of further talks with the Colonial Secretary and the Parliamentary Under-Secretary of State for the Colonies, and officials of the Colonial Office and the Ministry of Overseas Development. We also had discussions with the Minister of Overseas Development, Mrs. Barbara Castle, M.P.

Report of the Mission

12. In chapter I we have made certain general observations concerning the three Territories. We then deal separately with each of the three Territories in the order in which we visited them in chapters II, III and IV. In chapter V we discuss the University of Basutoland, Bechuanaland and Swaziland. We close the report with our conclusions in chapter VI.

13. The factual information contained in chapters I to V is based on the information gathered by the Mission through discussions and observations and from the various documents and reports, published and unpublished, furnished to it.

14. We would like to acknowledge the generous hospitality and co-operation extended to us at all times during our tour of the three Territories. We should perhaps add that the degree of co-operation was remarkable, considering the feeling nursed by many officials and non-officials in the three Territories that repeated economic surveys and expert studies had led to very little practical development and that reports were merely "pigeon-holed". The people who gave us their invaluable assistance are too numerous to list and to thank individually. However, we would like to express our special thanks to the following officials who acted as liaison officers during our stay in the three Territories:

Mr. R.F. Oldham, D.S.O., Senior Assistant Secretary of Development in Swaziland; Mr. H.C.L. Hermans, Principal, Ministry of Finance; and Mr. L.H. Mosala, Assistant Secretary in Basutoland. We also wish to thank the British Embassy in Cape Town and the Consulate-General in Johannesburg for facilitating our travel arrangements.

15. We wish in particular to express our deep appreciation for the services of our Secretary, Mr. C.H. Godden. His willing assistance was of immense help to us both in the Territories and in the preparation of our report.

CHAPTER I

GENERAL

1. Basutoland, Bechuanaland and Swaziland are all located in Southern Africa. While they are widely separated from each other geographically, they lie within or border upon the Republic of South Africa. The Territories vary in size and in economic potential, and although many of their economic problems are similar, they are by no means identical. They are not homogeneous, but it must nevertheless be recognized that they have common links, especially in regard to their relationships with Great Britain which has been responsible for their administration for many years and with the Republic of South Africa for geographic and other reasons.
2. Since 1910, Basutoland, Bechuanaland and Swaziland have participated in a Customs Agreement with the Republic or the Union of South Africa, as it was formerly called. The Customs Agreement, besides providing for the maintenance of a common customs and excise tariff and the sharing of duties on an agreed basis, also provides for the free exchange of commodities between the Territories and South Africa. South African currency is used throughout the customs area. The Territories supply in comparatively large numbers migrant labour to the Republic of South Africa. This has been in different degrees one of the major sources of income for the indigenous people of the Territories, particularly in the case of Basutoland. Marketing and research facilities in South Africa are shared by the Territories, which lack the resources and personnel to provide such facilities themselves. They also rely to a large extent on South Africa for the supply of professional and technical workers, both in the public and private sectors. The Republic buys a large percentage of the Territories' exports and is an important source of investment capital. Thus the economies of the three Territories are closely related with that of South Africa.
3. The Territories are all expected to become independent within a comparatively short time. The British Government has stated that if, at any time not less than one year after the elections held in Basutoland in April 1965, the people of Basutoland should by resolution or referendum ask for independence, it would seek to give effect to their wishes as soon as possible. It has also stated that Bechuanaland would be free to follow whenever the people of that Territory expressed such a wish and that Swaziland's new Constitution, introduced last year, has now set her on the same course. These constitutional developments have taken place within the past few years.

4. For various reasons, economic and educational advance in the Territories has been slow. There is a serious shortage of qualified local people, both for the public and private sectors. There is therefore need for a greater effort in the fields of education and training, coupled with an intensive but planned programme of localization in the public services. Until qualified local people are available, the Territories will continue to need the services of outside personnel.
5. Financially, all three Territories are heavily dependent on British Government aid both for capital and recurrent expenditure. While there is reason to believe that Swaziland may be able to achieve a balanced budget by about 1970, it is not possible to foresee at present when Basutoland or Bechuanaland may reach that stage.
6. The Mission had neither the technical expertise nor sufficient time to undertake a survey in depth of each Territory's economy. We concluded, therefore, that we should approach our task by investigating as thoroughly as possible, within the time available, the salient problems of each Territory in order to identify what, in our opinion, are its most pressing needs. Because of the limited time at our disposal and in the absence of detailed information, we have not attempted to quantify our suggestions in terms of their financial implications. It is obvious, however, that most of our suggestions will involve additional expenditure. We feel that the task of determining the financial implications can appropriately be undertaken by the authorities concerned in the event that our suggestions are accepted and once it is known that additional sources of financing would be found. We hope that our observations and suggestions will be of assistance in determining future programmes for the economic development of these Territories on a basis of urgency.

CHAPTER II

SWAZILAND

A. GENERAL

Geography and Population

1. Swaziland covers an area of about 6,700 square miles. It is bordered on three sides by the Republic of South Africa and on the fourth by Mozambique.
2. The estimated population of the Territory in 1962 was about 280,000, comprising 270,000 Africans, 8,000 Europeans and 2,000 Eurafricans. This total includes about 10,000 residents temporarily employed outside the Territory, mainly in the Republic of South Africa. It is estimated that the population growth rate is in the region of 2.6 per cent per annum.

Constitution

3. The present Swaziland Constitution, which provided for the establishment of Legislative and Executive Councils for the first time, came into operation on 2 January 1964.
4. The Constitution provides for a Legislative Council consisting of a Speaker, four Official Members, twenty-four Elected Members and nominated Members (at present there is only one nominated Member). Of the twenty-four Elected Members, eight are persons of any race elected by voters registered on "the National Roll", eight are Europeans or Eurafricans, of whom four are elected by voters registered on "the European Roll", and four by voters on "the National Roll", and eight are Swazis or Eurafricans certified by the Ngwenyama (Paramount Chief-in-Council) as having been elected in accordance with Swazi traditional methods. The first election to the Legislative Council was held in June 1964. All the elected seats were won by the Imbokodvo (the National party) and their European allies, the United Swaziland Association.
5. Her Majesty's Commissioner is responsible to the British Government for the government of the Territory. In the exercise of his executive powers, the Commissioner is assisted by an Executive Council. It is presided over by

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H.M. Commissioner and has four Official Members (who are the same as the Official Members of the Legislative Council) and four unofficial Members appointed by the Commissioner from among the elected and nominated Members of the Legislative Council.

6. Although not so far advanced constitutionally as Basutoland and Bechuanaland, both of which are expected to attain independence next year, the British Government has stated that Swaziland's new Constitution has set the Territory on the same course.

The Economy

7. Swaziland is potentially rich having substantial mineral resources, comparatively good soil and plentiful water supplies.

8. About half of the total area of the Territory is held by the Swazis under communal ownership. The other half of the total area is held under individual freehold tenure, mainly by Europeans.

9. In the Swazi areas the agricultural economy is primarily subsistence farming and animal husbandry, the standards of which are still low. This contrasts sharply with the majority of the European farming areas where there is a marked diversification of agricultural cash cropping including sugar, rice, citrus and pineapple production. Much of the development in the European farming areas has derived from irrigation and, while this has considerably expanded agricultural exports, it has not so far had any impact on the Swazi agricultural sector which, in general, has remained static.

10. The major economic developments, which have occurred in recent years, have been based on the exploitation of minerals, forestry and agriculture. This has resulted from a high level of investment in the private sector. The Commonwealth Development Corporation (C.D.C.) has contributed greatly to this investment, nearly £20m having been committed by the end of 1963 mainly in forestry, irrigation schemes involving sugarcane and rice production as well as participation in the opening up of an iron ore mine at Ngwenya and in the construction of a railway from the mine to the Mozambique border at Goba to connect with the railway to Lourenço Marques. Secondary industry is being established at the Matsapa Industrial Estate.

11. These developments, however, have so far had little effect on the Swazi sector of the economy. Indeed its principal effect has been the creation of a dual economy with a comparatively progressive European sector coexisting with a largely unchanged traditional Swazi sector.

Budget

12. Swaziland ran into financial difficulties in the financial year 1958/59 when the first of a series of deficit budgets was introduced. This deficit was met from surplus balances as was the deficit the following year. Since then the Territory has received budgetary assistance from the British Government in the form of grants-in-aid. The budgetary pattern since 1961/62 is shown in the following table:

<u>Year</u>	<u>Expenditure</u> £m	<u>Revenue</u> £m	<u>Deficit (covered by grant-in-aid)</u> £m
1961/62	2.279	1.901	.262
1962/63	2.573	2.025	.534
1963/64	2.819	1.955	.855
1964/65	3.967	2.328	1.639
1965/66	4.525	3.265	1.000*

* Approved deficit.

13. As illustrated in the above table the gap between revenue and expenditure widened during the period 1961-1965, but is being reduced during the current year. There are two points which should be explained. The sharp increase in expenditure in 1964/65 was due to special circumstances involving inter alia the strengthening of certain departments in the Public Service and expenditure on an expanded capital works programme. Secondly, the increase in revenue in 1965/66 has resulted from a reapportionment of Customs revenue among Basutoland, Bechuanaland and Swaziland under which Swaziland's share has increased about three times.

14. Budget projections have been prepared in the Territory which suggest that it should be possible for Swaziland to balance its budget by 1969/70 and gradually to build up a surplus thereafter. Whether this objective will be reached remains

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to be seen. It should be noted, however, that recent recommendations by an outside expert to increase revenue from taxation have not yet been implemented; and that no account has been taken of the fact that a considerable amount of additional expenditure will result when current recommendations by Salaries Commissioners for increased salaries for public service officers and teachers are put into effect.

Development Expenditure

15. The total public expenditure to be incurred on development in the period 1963/66 (i.e. the period covered by the current Development Plan) is estimated at £13.457 million made up as follows:

	£m
Infra-structure	10.345
Economic	1.474
Social Services	1.407
Administrative	.231
	<hr/> 13.457

The sources of finance for the Plan are:

	£m
Railway and Electricity Loans	9.510
C.D. and W. grants	2.459
Exchequer and other loans	.688
United Nations Agencies	.299
Local Revenue	.209
Freedom from Hunger Campaign	.175
OXFAM	.117
	<hr/> 13.457

16. The current Development Plan has as its objectives the narrowing of the wide gap between Swazi and European standards of living and the achievement of early solvency in the recurrent budget. But because of the shortage of development funds it will not be possible to achieve either for several years to come. Nevertheless, while there is little prospect of the budget deficit being eliminated before the

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end of this decade the measures provided for in the current Development Plan do prepare the ground for a concentrated effort to develop the Swazi sector of the economy during the next few years if the necessary funds are forthcoming.

B. NEEDS

Co-ordinated Planning

17. At present responsibility for planning and development is vested in the Secretary for Finance and Development, whose office is organized into a finance section, headed by a Senior Assistant Secretary, and a development section, also under a Senior Assistant Secretary. The current Development Plan 1963 to 1966, revised in July 1964, is now in its final year, and the Government is presently turning its attention to the formulation of a development plan covering the period 1966 to 1968.
18. The preparation of a comprehensive and co-ordinated development plan is hindered by the absence of an economic planning and statistical unit in the Government, and by the lack of statistical data on which to base economic planning. Some basic data is available from such studies as the sample survey carried out in 1960 and the report on land utilization. This has been supplemented by cartographic work, all of which should now be translated into statistical form for planning purposes.
19. The Mission believes that the over-riding and most urgent need of the Territory is the establishment of an economic planning and statistical unit, and that the staffing of such a unit represents the highest priority for technical assistance to Swaziland. The unit should be headed by a senior officer with administrative, financial and economic experience, and should be staffed by at least one economic planning expert and one statistician. An application has already been made under the United Nations Expanded Programme of Technical Assistance for both these experts, and recruitment is now urgent if the Government is to prepare a comprehensive plan by 1966.
20. The task of the economic planner should be to determine the aims and objectives of the next plan, to evaluate existing and new programmes of development designed to achieve these objectives, and to advise the Government on the

priorities for investment of such development funds as may become available to the Territory to finance the plan. He will also be required to ensure the fullest co-ordination of manpower planning with the over-all plan for economic development of the Territory. The task of the statistician will be to provide the basic statistical data which is essential for any economic planning.

21. The unit should be responsible for the co-ordination of all technical and capital aid, and for negotiation of such aid in accordance with the priority needs of the plan. This will ensure not only that the field for technical and financial assistance is fully explored, but that aid is utilized to achieve maximum economic benefit. Once the priorities of the plan have been established, it is important that a department of Government should be charged with the responsibility of ensuring that within the limitations of finance and manpower available, the programmes are carried out and kept constantly under review. This role should be performed by the planning unit.

22. The Mission feels that the Economic Planning and Statistical Unit, since it will deal with matters of over-all policy, should ultimately come under the direction of the Prime Minister. This, however, is a matter which will undoubtedly be considered at the appropriate time.

23. The Government has already established an Economic Advisory Council under the chairmanship of the Secretary for Finance and Development, composed of members of the Legislative Council and prominent members of the community. Its present functions are to advise Government on economic matters and priorities for development. The Mission feels that at the appropriate constitutional stage, the elected Government should consider the establishment of a central planning committee, under the chairmanship of the Prime Minister. This committee's function should be to determine economic policies and decide on priorities. When such a committee has been established, it would be for the Government to decide whether the Economic Advisory Council should be retained as a consultative body.

Development of Agriculture and Livestock

Statement of the problem

24. The fundamental problem in Swaziland is the wide gap in living standards between Africans and Europeans.

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25. In the Swazi areas, where a system of communal ownership of land prevails, the economy is based on subsistence agriculture and animal husbandry; the basic food crop is maize, supplemented by sorghum, beans, sweet potatoes and ground-nuts. The standard of cultivation is generally low, and this applies equally to animal husbandry practice. The most significant achievement in the Swazi areas came in the 1950's with the successful introduction of grass filter strips in the arable lands as an anti-erosion measure. This effort to protect the soil involved considerable public expenditure and staff increases. Since then efforts have been made towards increasing productivity, by the introduction of ox-drawn equipment, proper row seeding and the application of fertilizers.

26. In the areas occupied by Europeans, where there is individual freehold tenure, there have been quite spectacular advances in agriculture marked by a diversification of cash cropping including rice, pineapples, sugar cane and citrus. Much of the development in these areas has resulted from the use of irrigation which has led to a changed pattern of agriculture. Thus Swaziland's agricultural wealth derives almost entirely from land under European ownership, and a dual economy has developed in which a small European population, enjoying relatively high standards of living, exists side by side with the vast majority of the Swazi people whose living standards are extremely low.

27. The redressing of this imbalance of living standards is one of the aims of the 1963/66 Development Plan. This requires the transformation from subsistence agriculture to a modern cash economy which can only be achieved by a massive injection of "know-how" and capital into the Swazi sector.

Promotion of cash crops

28. The significant changes in the agricultural production of Swaziland came with the utilization of the country's water resources for irrigation purposes by commercial enterprises with access to large-scale capital. Major schemes such as the C.D.C. sugar project in the north-east and the Big Bend sugar project in the eastern low veld were accompanied by smaller-scale development on European land for citrus and rice production. In the Swazi areas extension services have been concentrated on dry land cropping and on the development of Farmers' Associations, of which there are now over one hundred. Not unnaturally, some

Swazi leaders regard the introduction of large-scale irrigation projects into the Swazi areas as being the prerequisite to increased production. In the long term, the conservation and utilization of the Territory's water resources offers the greatest opportunity for agricultural development. Large-scale irrigation projects are, however, capital intensive and are likely to affect only a small number of farmers in limited areas where such large-scale irrigation is feasible. The Mission would support such projects provided the necessary funds could be made available. It believes, however, that immediate attention should be given to a comprehensive programme of dry-land cash cropping for which there is plenty of scope. This would have the effect of raising the living standards of a higher proportion of the Swazi people and have more immediate results.

29. The Territory is not entirely self-sufficient in foodstuffs and the annual maize imports from the Republic of South Africa have recently averaged 150,000 bags, each containing 200 lbs. Although the yield on European land is well over 1,000 lbs. per acre, in the Swazi areas the yields are 600 lbs. or less per acre. If efforts were devoted to increase production by about 200 lbs. per acre, it is possible that the Territory could become self-sufficient in maize. While this is desirable, care must be taken to avoid over-production since the return to farmers on maize, despite a guaranteed fixed price, is not as attractive as that on other crops; and since there appears to be no market through which surpluses could be disposed.

30. The most promising cash crop is dry-land cotton. The average yield at present is about 300 lbs. per acre, and although under irrigation yields of up to 3,000 lbs. per acre have been realized, the use of better seed, fertilizer and spraying has resulted in selected areas of dry-land yields of up to 1,000 lbs. per acre. This represents, at current prices for raw cotton, a return of about £25 per acre. There is a ready market for the Territory's cotton and a cotton ginnery to process the crop has recently been established in the Matsapa industrial area.

31. The Mission therefore considers that the encouragement of cotton growing should be given high priority in the agricultural programme. This will require a further expansion of agricultural extension services. At present there is a shortage of suitably qualified candidates for training as agricultural

demonstrators. We make reference to this in a later section on agricultural training (paragraphs 83-88), where we suggest the development of rural training institutes rather than simply an increase in the number of agricultural demonstrators. We are also of the view that the programme for the extension of dry-land cotton cultivation should be closely integrated with the development of marketing co-operatives and rural credit.

32. Other crops worthy of attention include ground-nuts, legumes and tea. The potential for the production of ground-nuts should be examined, not only as a cash crop for export, but as an important nutritional crop. Similarly, legumes should be encouraged as a rotational crop, although further research is required into the varieties best suited to Swazi conditions. Additional research staff at the Malkerns Research Station are needed; and in the Department of Agriculture, a second agricultural economist to concentrate on the economics of dry-land farming would be invaluable.

33. Certain areas of Swaziland appear suitable for tea production. The Mission was informed that there is an assured market for tea in the Republic of South Africa. A preliminary report has already been prepared on the possibilities for tea growing as a peasant crop. Further trials in selected areas are needed, and at a later stage, a full study should be made of the economics of tea development in the Territory including a study of possible markets. On the assumption that the results are favourable, a tea development scheme should be introduced, based on peasant out-growers, possibly organized on co-operative lines. An essential feature of any scheme of this kind will be the provision of adequate credit for land preparation, tea stumps, and labour costs, during the growing period.

34. The Mission has noted the proposals of the Department of Agriculture with regard to Swazi settlement schemes. The plan entails the purchase of some 3,000 acres of good under-developed land, and the settlement of selected Swazi farmers for the production of cash crops. Careful economic planning is essential in each of the four areas selected to ensure the success of these schemes. The crops proposed vary according to area, from mixed agriculture (tobacco, maize, cotton, legumes) in the Shiselweni District to sugar cane in the Lubombo District. These schemes are to be based on long-term leasehold tenure for individual settlers, with co-operative common services of supply, operation and marketing. An

administrative section dealing with Settlement is to be set up in the Department of Agriculture, and the finance required is to be divided between grant money for administrative and land purchase charges, and loan money for land development and crop production costs. The Imbokodvo Party has not finalized its attitude in respect of these schemes, involving as they do a decision to grant leasehold title on Swazi communal land. The Mission is of the view that these schemes should be pressed forward, since they will not only provide tangible evidence of the Government's determination to improve Swazi agriculture, but they will also give useful pointers on the adaptability of the Swazi to closely supervised and controlled agricultural practice.

Improvement of livestock production

35. One of the main features of the livestock industry in Swaziland is the high degree of disease control which is exercised due to the constant threat of foot and mouth disease from Mozambique. The other is the growing problem of overgrazing due to ever-increasing livestock numbers.

36. The estimated cattle population is 543,000 of which nearly 80 per cent is Swazi owned. The Swazis traditionally regard their stock as outward and visible signs of wealth, and there is little incentive to improve its quality as opposed to quantity. There is clearly a need to commercialize the cattle industry in Swaziland; however, this can only be achieved by a change of attitude amongst the Swazis towards their livestock, and recognition of their economic value.

37. At present, two holding grounds have been established for the drawing off and pre-fattening of stock before export. There is need to improve the facilities at these grounds and to establish new holding grounds in other areas of livestock production. An opportunity to make faster progress in the commercialization of the cattle industry is presented by the establishment of an abattoir and cannery at the Matsapa industrial estate. This is a comparatively small venture which could operate economically on a throughput of around 18,000 head a year.

However, it is estimated that the plant could handle five times the amount if a steady flow of stock was offered for slaughter throughout the year.

38. There is a good prospect that Swaziland could become a beef exporter on a more greatly enhanced scale than at present. The quality of livestock will have to

be considerably improved before this position is reached. Cross breeding experiments appear to have had limited success, and the existing breed is thought to have sufficient potential, given that the animal health situation can be maintained, and that better animal husbandry methods are adopted by Swazi farmers. The Veterinary Staff are mainly concerned with animal health - regular dipping of all cattle, for example, is a feature of the livestock industry. The use of extension staff on positive measures of livestock improvement, in addition to disease prevention, might be facilitated by the establishment of a number of livestock improvement centres in the main cattle areas. These would serve as the focal points for extension services in the area.

39. The main prospects for livestock improvement appear to lie in the provision of better water supplies and in improved pasture and grazing. Provided that funds can be made available, a comprehensive programme for the construction of dams and valley tanks for stock watering would have immediate results. Pasture improvement is only likely to have a major effect in areas where some form of grazing right can be given to individual stock owners, and where the number of stock can be controlled in relation to the carrying capacity of the area. All these measures require the appointment of more staff, both at the professional level as animal husbandry officers, and at lower levels as extension staff.

40. The dairy industry in Swaziland is relatively undeveloped. Small schemes, such as butter production at Manzini, have had varied success. Dairy produce is generally imported from the Republic of South Africa, and prices are high. Investigations should be made into the possibilities of organizing a dairy industry amongst Swazi cattle owners near the main urban and industrial centres for the supply of milk and milk products. In addition, there is need to look into the prospects for small stock development, particularly poultry.

41. The Mission was left with the impression that the potential for development of the livestock industry in Swaziland has not been sufficiently recognized, and there there has been a tendency to regard it simply as part of the general subsistence agriculture of the Swazi area. The existing establishment of Veterinary Officers is five, of which only three posts are filled at present. These officers are fully occupied with disease control, particularly at this time due to the recent outbreak of foot and mouth disease. Additional animal husbandry

officers are required to deal with the various aspects of livestock development if the potential is to be fully exploited. The priority needs appear to be for additional staff, funds for water supplies, the promotion of dairy farming, and the development of small stock.

Development of co-operatives

42. The history of co-operative ventures in Swaziland goes back as far as 1932, when tobacco in the European areas of the south was marketed co-operatively to the Republic of South Africa. It is noteworthy that although OXFAM agreed in 1962 to finance a scheme for co-operative training, and co-operative legislation was promulgated in 1964, to date no Swazi co-operative society has been registered.

43. The main obstacle is the lack of staff. The staff of the Registrar of Cooperatives consists of two Cooperative Officers (one local and one expatriate officer) and six assistant Cooperative Officers, all of whom are still under training. As in other sectors, there are insufficient candidates possessing the necessary education to be trained for employment in the Cooperative Department or as co-operative managers. The view of the Territorial authorities is that, in the present circumstances, co-operative development will have to be mainly directed at settlement areas, such as the Swazi pineapple scheme at Malkerns, where close supervision can be given by limited staff.

44. There is often a tendency to proceed cautiously on co-operative development because it introduces new concepts and organizations. The Mission believes that in view of the urgent need to stimulate economic activity in the Swazi areas, a more positive approach to co-operation amongst the Swazis should be encouraged. Indeed, the Imbokodvo seemed keenly aware of the possibilities of development on co-operative lines. The view of the Department of Agriculture is that no real advance in land husbandry can be made unless land users can be held responsible for the land they occupy, which implies changes in the land tenure system. The Imbokodvo maintain that since land belongs to the community, each member of the community has an "inalienable right" to a reasonable share in accordance with his requirements and that this system of land tenure does not in any way inhibit agricultural development. In the circumstances it is unlikely that any move towards individual land tenure will be made, except in areas where special schemes require at least some form of leasehold title to individual holdings.

45. We therefore believe that co-operatives might play an important part in the development of the Territory. Credit extended through properly managed and well organized co-operative societies has been shown elsewhere, to provide a means of injecting capital into the economy. From the point of view of the lending institution, it affords greater security than the taking of a charge over goods and chattels, or the granting of "character loans". Apart from the greater ease of administration, much smaller credits can be granted for implements, fertilizers, etc., to individual members of the society than would otherwise be the case.

46. We have already referred to the prospects for dry-land cash cropping in the Swazi areas, particularly cotton. We consider that the priority in co-operative development should be the formation of marketing societies in the existing cotton-growing areas, with a view to their expansion as agricultural extension services develop. This would require an increase in the staff of the Cooperative Department and an intensive programme of co-operative training. The services of a Cooperative Education Adviser might be obtained under technical assistance. Until adequate numbers of trained co-operative managers are available, Cooperative Department staff could be used in this capacity in order to get societies going. Attention should be given to the question of transporting cotton from the growing areas to the ginnery, and the possibility of co-operative enterprise in this field should be examined.

47. The Mission is aware of the dangers of pressing forward with co-operative development without adequate staff or preparation on the ground. Nevertheless, we feel that co-operatives offer a means for effective development in the Swazi economy, and we therefore believe that a more positive approach should be made in this direction.

48. At present the Cooperative Department is under the Secretary for Local Government. We believe that it would be advantageous for it to be more closely associated with agriculture.

Provision of agricultural credit

49. The need to inject capital into the Swazi economy is of course essential to any sustained programme of agricultural advance. Since the report of a Committee appointed in 1963 to review, inter alia, the needs of finance for agricultural

credit, and the recommendations of the FAO Land Bank Expert on the establishment of a credit and savings institution, some progress has been made in this direction. The only sources of credit available until recently consisted of a small revolving loan fund operated by the Department of Agriculture, government guarantees on overdrafts to co-operative societies, and commercial bank loans. While Swazi progressive farmers have enjoyed limited facilities from the former fund, they have not been able to take any advantage of the other two sources of finances.

50. A Swaziland Credit and Savings Bank was created by statute in 1965. The functions of the new Bank are wide, covering loans to agriculture, housing, trade and industry. In the field of agriculture, it is envisaged that it would make loans to finance:

- (a) short-term crop credits (seeds, fertilizers, insecticides, etc.),
- (b) medium-term credits for the purchase of implements, fencing, etc.,
- (c) long-term credits for high value crop settlement schemes in the Swazi sector,
- (d) annual crop finance for freehold landowners and development credit for non-Government schemes.

51. The Bank already feels itself inhibited on medium-term credit in the Swazi areas by lack of security due to the land tenure system. We have dealt with this in connexion with the development of co-operative societies (see paragraph 45).

52. With regard to the capital structure of the Bank, the Mission understands that of £20,000 originally allocated under a Commonwealth Development and Welfare (C.D. and W.) Scheme for formation expenses, only £2,000 has been spent. An application has been made for £150,000 to be allocated as unrecallable capital of the Bank. In addition, a loan of £300,000 has been arranged from a commercial bank, repayable at 6.5 per cent interest over seven years following a three-year moratorium period. The Bank is of the view that its unrecallable capital should be £500,000, which, on a calculation of projected lending and borrowing, and operating costs over a ten-year period, would provide a reasonable annual surplus. The Bank estimates that on the basis of only £150,000 interest-free capital, there would be a substantial shortfall on recurrent account.

53. Experience elsewhere in Africa has shown that there is little prospect of a credit institution of this kind paying its way over the first few years of

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operation, if it is to perform faithfully the functions assigned to it under its constitution, and more particularly if it is to handle business which would not be undertaken by commercial banks. Operating losses will have to be capitalized in the early stages, until the business of the Bank, both in loans and through savings, has been built up. The Mission considers that the Bank's ability to attract further finance will be conditioned by the degree to which it has demonstrated its effectiveness over the first few years of operation. We therefore support the Bank's case for the grant of unrecallable capital. It is difficult to specify how much this unrecallable capital should be, but we suggest £250,000 as a reasonable sum, taking all factors into consideration.

54. The Bank has estimated that for the purpose of increasing agricultural family income by £50 per annum per unit, an investment of £5 million in agriculture through loans would be required. On the assumption that the maximum rate of investment would be £500,000 per annum, this target would not be achieved within ten years. This calculation, of course, ignores investment in the form of skills and know-how through better farming methods. However, taking this as a purely theoretical projection over the next decade, it would appear that additional finance of about £1.5 million would be required as a loan on soft terms to the Bank, to cover agricultural and other forms of credit such as housing.

55. While the Mission recognizes the desirability of a credit programme on this scale, nevertheless, it is not convinced that such a programme would be realistic in terms of the Territory's present absorptive capacity, even if funds were readily available. We believe that one of the best prospects for any concerted programme of agricultural credit lies in the rapid build-up of the co-operative movement. Since we appreciate that this cannot be achieved immediately, the extension of short-term credit to progressive farmers, Farmers' Associations, settlement schemes, etc., must be continued. Priority must be given to the needs of short- and medium-term credit to Swazi farmers, and any tendency for the Bank to rely unduly for its business on loans to European freeholders against security of land should be resisted.

56. The supervision of credit by Agricultural Extension staff is vital to the success of any large-scale programme in the Swazi area. Extension services are concentrated in the arable areas, and the present strength (about 100) allows

one extension agent to every 350 family units. Courses for extension staff on procedures and supervision of credit have already been started and these should be continued.

57. The immediate problem in relation to the Credit and Savings Bank is the determination of the capital structure of the Bank, including the amount of unrecallable capital. Thereafter, as the Bank develops, there will undoubtedly be need for the provision of additional capital on reasonable loan terms, possibly from the International Development Association; but such a need can only be established on the basis of a proven record of performance, and must be related to specific schemes.

Development of water supplies

58. Swaziland is well watered compared to other parts of Southern Africa, and water is therefore rightly regarded as being one of the country's more valuable assets. Five major rivers, which flow through the Lowveld region, receive water from tributaries in the Western Highveld region, although many of the head streams of the main rivers flow from the Republic of South Africa into Swaziland. Therefore, in planning large-scale development of the water resources of Swaziland, the international implications will also have to be studied.

59. The flow of these rivers, due to the rainfall pattern, is lowest in spring when irrigation requirements are highest. Thus "run of rivers" irrigation is limited, and out of an estimated 90,000 acres of land irrigable by this means, some 65,000 are already developed. This area largely covers the two main sugar estates and the Malkerns scheme, but the proposals for additional sugar development alone will bring the total acreage up to 90,000. The soil survey recently carried out in selected areas indicates that over 200,000 acres are suitable for irrigation, (80 per cent of which are in the Usutu River Basin) with a further potentially irrigable area of similar size. "Run of rivers" irrigation must therefore be supplemented on a large scale by water storage if these additional areas are to be developed.

60. A preliminary assessment has been made of water storage potential and a study made of possible dam sites. Further investigation is now required on the following programmes:

- (i) Usutu Basin Survey. It is proposed to apply to the United Nations Special Fund for a pre-investment survey of water potential in the Usutu area. The United Nations is to provide later this year a team to prepare an application. It will be necessary to correlate the needs of agriculture with the water needs for industry, power and urban supply.
- (ii) Soil Survey. The soil survey undertaken in selected areas should be extended throughout the Territory. At present there is only one soil surveyor and another soil surveyor is required if this work is to be carried out.
- (iii) Storage. Potential dam sites require further study to determine the type of dam structure required and to assess yield. An irrigation engineer and a water allocation officer are needed to do preliminary work.
- (iv) Control of Water. A Water Affairs Commission is to inquire into the problem of control and use of water throughout Swaziland. The control of the Usutu is particularly important because of the need to ensure flow of water to the hydroelectric power station. This inquiry will precede the rewriting of the Water Law.

61. In view of the success of investments made in comparatively large-scale irrigation projects, such as the sugar, rice and citrus schemes, it is understandable that investigation of further water potential is being directed mainly towards new projects of this type. There is need, however, to look at possibilities of smaller-scale projects, designed to supplement rainfall, particularly in areas where progressive Swazi farmers are developing a cash economy. This will require expert investigation and advice. In addition finance for a programme of small dam construction should be provided where technical and economic study indicates that viable schemes for crops or livestock can be implemented.

Education and Training

Statement of the problem

62. In view of the Territory's advance towards independence, it is particularly urgent that there should be a general improvement of educational services at all

levels. While the highest priority must be given to increasing the outflow at the secondary and higher technical levels in order to localize key posts in government and industry which are at present filled by expatriate or other foreign personnel, there is a no less urgent need both to train more Swazi artisans and to raise the general level of education.

63. For various reasons the role played by the Swazi people both in the higher ranks of the Public Service and in the economic life of the Territory as a whole, has until now been woefully limited. Less than 10 per cent of the professional grades in the Public Service are locally filled and in industry and large-scale agriculture a high proportion of the skilled and semi-skilled jobs are filled by workers of foreign origin. Despite the fact that there is growing unemployment among Swazi wage earners and the labour force is increasing at nearly twice the rate at which new jobs are being created, the percentage of non-Swazi in the labour force rose from 15 per cent in 1960 to 25 per cent in 1963, mostly occupying the higher paid jobs. It is estimated that at present nearly 50 per cent of workers engaged in mining and over 30 per cent of those employed by agricultural estates are non-Swazis. This is due to an insufficient supply of Swazis with the necessary qualifications. Most foreign companies stated that they would prefer to employ Swazis if suitably qualified persons were available. In the following sections the Mission has endeavoured to indicate some of the most important measures which, in its opinion, need to be undertaken to improve the situation.

Strengthening of the basic educational system

64. The restricted role played by the Swazis, both in the Public Service and in the economy, is partly attributable to the fact that the expansion of education is fairly recent. Although there are now over 50,000 children attending school, in 1956 the total enrolment was only 24,000. At the end of 1962, only 450 students had completed five years of secondary education and there were only seventy university graduates. Over 71 per cent of the adult population was believed to be illiterate.

65. Even the present initial enrolment may not, however, produce a proportionate increase in the outflow of secondary graduates, owing to the substantial wastage

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which occurs within the school system. This wastage is particularly heavy after the second and sixth years of the primary course and after the third year of the secondary course. It is noteworthy that the proportion of students who completed the fifth year of secondary schooling dropped from 9.4 per cent of original primary entrants in 1960 to only 4.4 per cent in 1963. Moreover, of the 9,121 pupils who entered the primary schools in 1959, only 4,419 continued to Standard III, and of those who entered in 1957 only 12 per cent passed on to the secondary level.

66. The wastage at the primary level is believed to be due partly to the withdrawal of children for employment or work on their parents' farms and partly to the limited educational facilities available in some schools. The majority of primary schools (266 schools out of a total of 342) are run by voluntary agencies with or without Government grants-in-aid. In 1963 only seventy-six schools offered the full primary course of eight years, while many did not go beyond Standard IV. In addition, although the average standard of accommodation is higher than in either Basutoland or Bechuanaland, some schools, particularly some which do not receive a grant-in-aid, are definitely substandard in respect both of premises and the number of pupils per classroom. Furthermore, most primary schools suffer from an acute scarcity of equipment and teaching materials. Of more importance, however, is the fact that the proportion of unqualified teachers was 27.7 per cent for all primary schools and 77 per cent for unaided schools.

67. If the wastage at the primary level is disturbing, that at the secondary level is even more so. In 1964 only sixty-five candidates were presented for the General Certificate of Education 'O' level examination and only fifteen passed in a sufficient number of subjects to qualify them for entry to the University of Basutoland, Bechuanaland Protectorate and Swaziland. At the same time, the percentage of passes at the Junior Certificate examination (Standard III level) dropped from 74 per cent of candidates in 1960 to only 56.8 per cent in 1963, when only nine out of 382 candidates obtained a first class pass.

68. The relative deterioration in academic results is due partly to the increased spread of education without a corresponding increase in the financial resources available to the Government. While the Mission cannot but commend the attempt to extend some form of education to as many children as possible, it believes

that the present situation is extremely wasteful: not only is it not producing a sufficient number of secondary graduates capable of progressing to technical training or to employment in the Public Service or industry, but it must also be assumed that a high proportion of the early drop-outs will relapse into semi-literacy. We suggest that a Territory possessing only limited budgetary resources and with specific employment needs can ill afford such wastage. We therefore attach the highest priority to the establishment of a development plan for education which, within the framework of an over-all development plan, would closely relate the development of education to programmes in other sectors. A major purpose of such a plan would be to permit the allocation of specific priorities in education, taking into account some estimation of the Territory's manpower requirements.

69. Clearly the most urgent need at the present time is to increase the number of students who complete the secondary course. One of the obstacles to improvement of secondary education is the multiplicity of secondary schools, thirty-two in all, two thirds of which do not offer a full secondary course and many of which are small and insufficiently equipped. Since most of these smaller schools are run by voluntary agencies, it may not be possible to amalgamate them; but failing that, the Mission would suggest the desirability of concentrating future development on selected schools which are suitably located. For the present, however, it may be noted that the number of existing places in secondary schools far exceeds the number of actual enrolments and the immediate problem is to reduce wastage and to ensure that these places are filled. The following table shows the situation in 1964:

<u>Form</u>	<u>Places</u>	<u>1964 enrolment</u>
I	1,640	1,117
II	1,120	727
III	1,040	459
IV	400	96
V	400	68

70. In order to accomplish this, two measures appear to be urgently required: an immediate increase in boarding accommodation and a substantial augmentation of the number of bursaries granted on the basis of individual need and merit.

Whereas in 1959 boarding accommodation was more than adequate for the number of pupils then in secondary schools, the increase in enrolments has so far outstripped hostel construction that in 1963 only 56 per cent of existing pupils could be housed. As home living conditions, even in urban areas, are not usually conducive to study, this may well be one cause of falling educational standards and drop-outs. In the Mission's opinion, a high priority should be allocated to the construction of additional hostel accommodation as one means of ensuring that existing teaching facilities are more fully utilized.

71. Coupled with this need, there is also the need for additional bursaries to enable deserving students to take advantage of these places. The Mission was told that at present fees are charged in secondary schools ranging from £15 to £20 per annum in mission schools to up to £64 per annum in the leading government school, a sum which would represent a substantial portion of the total income of the majority of African parents. In 1964, a total of 171 African students were in receipt of government bursaries for secondary education, a number which is surely far too small.

72. In giving a high priority to these two recommendations, the Mission has in mind the supreme urgency of doing everything possible to increase the numbers who proceed to school certificate standard. In the Development Plan for 1963-1966 a target is suggested of 200 school certificate 'O' level passes annually in order to reduce the Territory's dependence on expatriates to fill the higher level jobs in industry, commerce and government. Evidently at the present rate of development this target may not be reached for some time, and even when it is, several years of post-secondary training may still be required before the graduates are ready to fill positions where they are needed.

73. Opinion in the Territory appears to be divided on whether or not the secondary curriculum should be extended to make some provision for education up to G.C.E. 'A' level, which is an essential qualification for admission to many universities and vocational training institutions overseas. Before the establishment of the University of Basutoland, Bechuanaland and Swaziland (U.B.B.S.), which accepts students at 'O' level, it had been intended to drop 'A' level training at one or two secondary schools within the Territory and there is still strong support for this proposal on the grounds that the courses offered at U.B.B.S. are limited and

that it will still be necessary to send students elsewhere for higher training in certain specialized fields. On the other hand, the number of students available for 'A' level training will be extremely small during the next few years at least, and the Mission feels that it would not justify the costly financing involved. For reasons of economy it would appear logical to concentrate 'A' level training for all three Territories at U.B.B.S. The danger, inherent in such a proposal, of condemning the latter to the status of an institution offering only an ordinary pass degree would be obviated by creating an 'A' level centre attached to the university from which graduates would pass on to a regular degree course or proceed to other institutions (see Chapter V below).

74. After the expansion of secondary education, the next priority must be to improve the primary schools. The Mission believes that the most important requirements to achieve this objective are (a) improvement of teaching standards, which we discuss below, and (b) adequate supplies of teaching aids and equipment. Only when these requirements have been met will it be possible, if at all in view of financial limitations, to reduce the number of schools which offer less than a full primary course. Since the Territory does not have sufficient financial resources to raise all schools to a full primary course, we suggest that consideration might be given to educational extension work, either in the form of evening classes or by the dissemination of reading material, as in the form of a student's association newsletter, in an attempt to prevent school drop-outs from relapsing into illiteracy. Further comments on this subject are made below.

Improvement of teaching standards

75. Another urgent requirement is to improve the quality of teaching. This need is acute at the primary level, where, as stated, over 27 per cent of all teachers are unqualified and particularly in the unaided schools where the proportion is as high as 77 per cent. The existing situation with regard to teacher training is not encouraging. Merely to meet the annual increase in pupils and to replace losses in qualified teachers, the Territory requires some 140 to 170 additional trained teachers annually. The number of Swazis undergoing teacher training in 1964 was only 134 and the number who passed their final examinations during the year was only fifty-two, of whom six were domestic science teachers. If the Territory is not to rely increasingly on teachers recruited from outside simply

to maintain existing standards without providing for expansion, a threefold increase in the supply of teachers is required. The Education Department has suggested that this could be achieved by increasing the enrolment at the two existing teacher-training colleges to their maximum capacity and by establishing a third college in the north of the Territory capable of accommodating 150 students. The Mission was informed that such a college would cost an estimated £200,000 in capital expenditure and about £25,000 in annual recurrent charges, for which no funds are yet available.

76. Provided that a sufficient supply of trainees is available, the above proposals would seem to represent a minimum requirement. It may be noted, however, that owing to the relatively low level of salaries and other inducements offered to teachers outside government service, the teaching profession suffers from competition from other sectors of the economy. The Mission understands that the teachers' salaries have recently been under review. Pending the results of this review, it merely wishes to draw attention to the problem.

77. The above measure would, of course, result at best in a gradual improvement of teaching standards. In order to bring about a more rapid upgrading of the teaching establishment, the Mission suggests that a "crash programme" of in-service training is called for which would include (a) the organization of refresher courses and of periodic seminars and study groups for practising teachers, and (b) a strengthening of the educational staff available to oversee and inspect the work of teachers. At present, owing to the recent decentralization of the Education Department, the existing educational officers are largely occupied with administrative duties. If a crash programme is introduced it would probably require, temporarily at least, a substantial increase in the number of educational specialists available for supervisory tasks and for conducting the in-service training. To some extent this might be accomplished by expanding the extension services in Swaziland of the University of Basutoland, Bechuanaland Protectorate and Swaziland. It seems, moreover, to be an area in which resort might be made to technical assistance from UNESCO under the EPTA programme. One object of educational policy should, we suggest, be to ensure the appointment of at least one fully qualified teacher in every school.

Adult education and community development

78. Before concluding our remarks on the general educational system, we wish to make a few brief observations concerning educational extension work. The enormous number of children who terminate their schooling, particularly during the primary course, represents a big waste to the Territory. There is a clear need for extension teaching in order to ensure that this early training is not wasted and, in particular, to prevent children who have had only a few years of schooling from relapsing into illiteracy. To what extent this could be accomplished with the teaching staff at present available is beyond the Mission to judge. But it is probable that, at least, the staff of the Education Department would have to be strengthened. One aspect of the problem is the absence of suitable reading material which, we suggest, could best be met by the publication of a periodic newsletter prepared by the Education Department for this purpose. The Mission suggests that the organization and planning of such extension is a subject for which technical assistance might be sought from specialized agencies (see also Chapter V). In this connexion, we note that there is already in Swaziland a small adult literacy campaign operated by the Sabenta Society. This programme is, of course, directed mainly to an older age group, but both objectives are similar and advantage might be obtained by co-ordinated efforts in both fields.

79. Allied to the general problem of adult education is the need for community development. Since an expert adviser in this field has already been requested under the Expanded Programme of Technical Assistance, we would merely note that at the present stage of the Territory's evolution and in view of the absence of a developed local government organization, this is also a major need which, if provided, can furnish an additional medium for educational extension.

Expansion of technical training

80. Our next remarks concern the provision of vocational and technical training. As already pointed out, a high proportion of the better paid, skilled and semi-skilled jobs in Swaziland are occupied by non-Swazis. There is an urgent need to produce local artisans to meet the growing requirements of industry, to train Swazi agriculturists and agricultural officers and to produce more persons with professional qualifications. For the present, the Mission will concern itself

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only with the training of artisans. Such training is now being provided at the Swzailand Trade Training Centre which runs three-year courses for Junior Certificate graduates in building, carpentry, motor mechanics and electrical work. The present enrolment is 120 trainees (increased from 66 in 1963). Owing to difficulties in the past, the present yearly output is only about 9 to 10, but may be expected to increase to between 30 and 40 in the next few years. Even this number will not do much to reduce the Territory's dependence on foreign artisans and the Mission feels that there would be good reasons for doubling the present intake in accordance with a proposal which has already been advanced in the Territory by the Industrial Training Advisory Council. The capital cost of such an expansion is estimated at £100,000. It may be noted that quite apart from this proposed expansion, the Centre is in dire need of training equipment in order to enable it to operate at its present capacity. There is a special need for light metal-working equipment, including lathes, for the training of fitters, turners and welders. In 1964, it was hoped that financial assistance for this purpose would be forthcoming from a bilateral source; but so far these hopes have not been fulfilled. This is clearly an area of need where a relatively small financial grant would produce important results.

81. After completing the three-year course at the Training Centre, it is intended that trainees should enter an apprenticeship scheme with a credit of two years in respect of their previous training. The apprenticeship scheme was approved in 1961 but owing to difficulties in recruiting a Controller of Apprenticeships, who was not appointed until 1964, the establishment of an Apprenticeship Board and the drawing up of rules governing conditions of apprenticeship and trade testing were delayed and the scheme is only now about to be put into effect. The apprenticeships will run from three to five years and will include practical training in industry or at the Training Centre, coupled with theoretical instruction to be given by day and/or by block release. It is hoped to produce an output of about fifty trained apprentices per year. At present, only one industrial concern, the Usutu Pulp Mill, has its own training scheme. It is, however, hoped that similar schemes will be started by other industries at an early date. This will be stimulated by the enactment of legislation now drafted which aims at limiting the immigration of foreign workers to those with required skills. The number of Swazis, mostly unskilled, who enter the employment market each year is nearly double the number of

new jobs available. Any extension of industrial training which will reduce the dependence on outside labour for skilled jobs is to be desired.

82. Reference to proposals for the training of clerical workers is made in the section Localization of the Civil Service below.

Improvement of agricultural skills

83. Agriculture and livestock-rearing are the basis of the economy in the Swazi sector. About 38 per cent of the Swazis are farmers and about 20 per cent of wage-earners are employed in agricultural or allied activities while most of the remainder devote at least a part of their time to farming. In contrast to European agriculture which is market-oriented and relatively highly productive, Swazi farming is predominantly of a semi-subsistence character and low-yielding. Malnutrition among children is widespread in the rural areas and the Territory is increasingly obliged to import staple foods.

84. The Swaziland Government has devoted much effort and expenditure to improving farming methods among Swazis as a means of reducing the ever-widening gap between the European and African sectors of the economy. It has done so mainly by the orthodox methods of providing extension services for which it maintains a staff of African demonstrators under the direction of the Agricultural Department who average one demonstrator to 350 homesteads. The effectiveness of the extension service has, however, been limited by (a) the loss of access to training facilities for agricultural demonstrators in the Republic of South Africa which have only been partly compensated for by the provision of limited training in the Territory, (b) the shortage of senior agricultural staff to supervise the extension work, and (c) the inherent conservatism of the Swazi peasant and other social factors. Extension work has been largely concentrated on approximately 3,500 farmers who belong to 120 Farmers' Associations and a selected few who are participating in a "Master Farmer" scheme. Under this scheme, the field demonstrators concentrate on advising and helping selected farmers who are willing to take advantage of such assistance, in the hope that the master farmers will set an example to, and, in turn, help their neighbours. There are at present no African producer co-operatives which could serve as a medium for agricultural instruction.

85. There is clearly need to give a greater impetus to agricultural education. For this reason, priority has been given to the creation of a combined agricultural

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college and short course centre which is being constructed adjacent to the central agricultural research station at Malkerns, financed mainly by capital grants from the Oxford Committee for Famine Relief, and the United Kingdom "Freedom from Hunger Campaign". The college will provide a two-year diploma course at the Junior Certificate level to persons who intend either to enter the agricultural service, return to the land and farm or take up employment with the agricultural estates. The short course centre, to be associated with the college, will furnish refresher courses for staff of the agricultural service, and courses, some of them specialized, for teachers, chiefs and headmen, farmers and housewives, as part of a programme of adult education. It is anticipated that at least 300 adults per year will pass through the centre. The work of this centre will be supplemented by a smaller subsidiary training centre to be established at the Government Lowveld Experimental Station near Big Bend where training will concentrate on subjects specially applicable to lowveld agriculture, such as sugar-cane.

86. The need for an agricultural training centre within the Territory appears indisputable and the association with it of what in effect will be a rural training centre will greatly increase the benefits derived therefrom. The Mission feels that in terms of recurrent costs, greater advantages lie with the establishment of rural training centres than with a mere numerical increase of junior extension staff. We note that when the project was first planned in 1960, it was hoped to finance the entire capital and three years' recurrent costs from a single grant, but that owing to delays and increases in building costs, the present increased grant by OXFAM and FFHC will not quite cover the initial capital cost. Considering the importance of this project, it would be regrettable if lack of funds should prevent its full fruition. If the necessary funds are not forthcoming, application for additional assistance should be given priority consideration. In connexion with the staffing of the Malkerns College and Short Course Centre, we are of the opinion that present plans represent only the barest minimum requirement. We note that efforts are currently being made to obtain a principal for the college under the United Nations Expanded Programme of Technical Assistance and we feel that any requests for additional staff would deserve favourable treatment.

87. For the time being, efforts should be concentrated on building up this centre to its maximum effectiveness. When this is assured, the Mission feels that thought

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might well be given to the creation of additional rural training centres at appropriate strategic locations. Apart from the fact that we believe the concentration of training at rural centres may produce more results than the efforts of a given number of junior agricultural demonstrators widely dispersed, such centres may be less costly to operate and offer possibilities of special financing by means of grants for the initial capital sums required.

88. Extension services can, we believe, be most effective if their work is co-ordinated with other activities such as the development of co-operatives and rural credit, adult education or community development campaigns, or if it is concentrated on certain sectors such as specific crops or on certain groups as in the case of the "Master Farmers". If this is so, then clearly there is a need for the agricultural extension service to work within the framework of specific selected objectives and all the various related activities, such as development of co-operatives, provision of rural credit, encouragement of certain cash crops, etc., must be closely interrelated. Our comments on these various topics, especially in regard to the development of co-operatives and of certain cash crops, are set forth above in the appropriate sections. We merely wish to emphasize here the need for an over-all development plan within the framework of which agricultural extension and education can be directed towards specific objectives. A review of these objectives might well be one of the first tasks of a technical assistance adviser in this field.

Localization of the Civil Service

89. It is essential to localize the Public Service as rapidly as the requirements of efficiency permit. The present policy is to replace expatriates by local personnel as soon as the latter can be trained, the principal limitation being lack of candidates for posts requiring technical or higher education.

90. Localization has made the greatest progress at the junior executive levels where most positions are now filled by Africans, in the Prisons Department where there are now only two expatriates who will probably be replaced by local recruits shortly, and in the Police Force where there is an excellent training scheme and a number of African personnel, having completed training courses in Zambia, may soon be promoted to gazetted and inspector rank. There is a specific need for staff with lower-level technical, administrative and clerical skills. But this need has

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been provided for by two schemes included in the 1963-1966 Development Plan, namely (a) the creation of 109 supernumerary training-grade posts to permit on-the-job training, and (b) the establishment of a Central Training School which will give courses in such subjects as office administration, typewriting, local government, law and language. In regard to the latter, priority will be given initially to training of postal, telephone and telegraph technicians. The school will have a capacity at the outset of sixty to eighty students but plans exist to expand the capacity in 1965-1966. Teaching will be carried out partly by serving officials, thus reducing the necessity for a large staff. It is intended that the school will be responsible for all in-service training in the Public Service other than agricultural and police training, and will also provide clerical training for the private sector.

91. Present plans seem therefore to be adequate to fill the needs at the junior level, provided the necessary funds are forthcoming.

92. The main problem is to speed up the localization of higher posts which require professional or vocational training or involve a higher level of administrative responsibility. Here much remains to be done. Out of a total of 545 professional or technical staff, only 63 were local persons in April 1964, while an additional 58 authorized posts on the establishment were unfilled. On this basis, to localize all key posts and to make up deficiencies of establishment would require an additional 590 qualified local recruits. The position on 1 April 1964 is shown in the following table:

<u>Grade</u>	<u>Authorized establishment</u>	<u>Total No. in post</u>	<u>No. of locals in post</u>
Superscale, administrative and professional and scientific	123	108	8
Technical	230	160	16
Executive and secretarial	164	144	32
Police and Prisons - top ranks	22	19	3
Teachers - standard qualifications	114	114	4
Total - key posts	653	545	63

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93. It may be noted that out of a total of 229 university graduates in the Service, 148 are expatriate Europeans, 46 are non-Swazi Africans and only 35 are Swazis. On the basis of present standards, the Service will require about 200 local university graduates during the next few years. Since there are at present only 30 Swazi students enrolled at U.B.B.S. and only 132 students are enrolled in Forms IV and V of the secondary schools, it is unlikely that this need will be met for several years, especially in view of the small percentage who achieve G.C.E. passes and the competitive attraction of private industry.

94. Because secondary education up to G.C.E. 'A' level is not available in Swaziland, the only immediately accessible centre of higher education is the U.B.B.S., which at present offers courses in only a relatively limited range of technical subjects. Students wishing to follow specialized training which is available only at other universities will normally be obliged, therefore, to spend two years at U.B.B.S. before they can qualify for admission to universities elsewhere. There are, however, certain countries where special courses are available to students from developing countries who have not reached the usual standard for university entrance. These possibilities should be fully investigated as should the opportunities for vocational training in other countries. This is a field in which the assistance of international agencies could be sought. For posts of a more general administrative character, the existing facilities at U.B.B.S., supplemented by specialist overseas training, are probably sufficient to meet all needs in the near future.

95. The problem of localization at the higher levels reverts to the basic need to increase the outflow of students with good G.C.E. passes from the secondary schools. At the same time, taking into account the human resources available, localization can be speeded up only if there is a constant review of requirements, advance planning and early selection of suitable candidates. The Mission notes with satisfaction that a Civil Service Review Board has been created which will study possibilities of modifying the standards required for specific posts. It may well be that for posts of an administrative or supervisory nature, too rigid insistence on academic qualifications is an impediment to localization. In such posts, the qualifications which are often most essential are personal qualities and experience in the exercise of responsibility. We feel that more attention should be concentrated, in the first instance, on localizing such posts, mostly in the central

administration, rather than on more technical posts, or posts such as district officer, which are less directly concerned with policy at the central government level. In this respect we question whether lengthy service in a supernumerary post is as effective a training as early involvement in administrative responsibility. There is, we feel, a need for a more dynamic and experimental approach to this problem.

Development of Industry

96. The main industries of Swaziland are based on the processing of agricultural or forestry products, and on mineral exploitation. Within the former group are the two sugar mills at Mhlume and Big Bend, a wood pulp mill and chip board factory based on the man-made forests at Usutu and Peak Timbers, and a fruit cannery at Malkerns, processing pineapples and citrus. Smaller concerns are a maize mill and a butter factory.

97. The mainstay of the economy for many years has been the asbestos mine at Havelock which contributes a substantial amount of revenue to the Government through taxes. Indications are that reserves of ore containing up to 750,000 tons of asbestos fibre will be proved.

98. A significant recent development has been the exploitation of the iron ore deposits at Bomvu Ridge in the north-west of the Territory by the Swaziland Iron Ore Development Company. The establishment of the iron ore mine has resulted in the construction of the Swaziland railway from Bomvu Ridge to Goba on the Mozambique border, the development of a Hydro-electric Power scheme on the Usutu river, and the reopening of the coal mine at Mpaka to provide fuel for locomotives. A contract has been entered into for the supply of 12 million tons of iron ore over the next ten years to Japan. It is written into the mining lease that the Company will investigate the establishment of an iron and steel industry in the Territory, but there is no real assurance that such an industry will be established. At present, the mineral royalties are, by agreement between the Government and the Company, utilized for the repayment over fourteen years of the capital costs of the railway.

99. In addition to these major concerns, there are numerous secondary and light industries, including a cotton ginnery, a meat canning plant, brick works, panel

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beating shops, tyre retreading, etc. Prospects are good for the manufacture of chemicals, cement blocks, soap, shoes and beer.

100. Swaziland is, therefore, relatively well developed industrially. However, most of this industrial development has been based on European enterprise, capital and skills, and has had little effect on the Swazi sector of the economy. What is needed is firstly to attract more secondary and light industry; and secondly, to increase Swazi participation. These needs are discussed below.

101. Heavy infra-structure expenditure has been incurred over the past few years to provide services for the major industries based on processing of agricultural or mineral resources. In order to attract new industry, the Government has financed the establishment of the Matsapa Industrial Estate. An area of 600 acres has been purchased and basic services (water, electricity, roads, sewerage etc.) have been provided for about 250 acres, which have been divided into plots of varying sizes. These have been offered for sale at around £1,000 per acre. A residential area has been demarcated but it has not yet been developed due to lack of funds.

102. While some industry is being established at Matsapa (the abattoir and canning factory, and the cotton ginnery, for example), the Government is anxious to attract additional industry to the Territory. Against this background, there is strong opinion in business circles favouring the establishment of a National Finance Corporation to finance, by medium- or long-term credit, the development of industry and large-scale agriculture. The proposals as the Mission understood them were that half the capital of such a corporation might be put up by the Swaziland Government and half by private investors. The prospects of loan finance from international sources such as the International Finance Corporation, or from other sources, were also envisaged by the proponents.

103. The Mission feels unable to give whole-hearted support to this idea. We were unable to discern any clear thinking on what functions the proposed Corporation would perform or how the funds would be utilized. Nor could we relate the possible role of such an institution to a programme for further industrialization, in the absence of any over-all economic policy which embraces both the public and private sectors of the economy. We do not consider, in any event, that the allocation of public funds to a Finance Corporation would constitute a high priority in view of other pressing needs in the Territory.

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104. Nevertheless, consideration should be given as to what other inducements can be offered to attract secondary industry to Swaziland. It was represented to the Mission that the adjacent areas of the Republic of South Africa offered greater incentives and advantages to potential investors because of the measures adopted by its Government. We were informed that tax concessions were more favourable there, that assistance was given by the provision of factory buildings, and that access to capital was easier. Against this, the investor in Swaziland, it was maintained, had to contend with less developed communications, difficult access to markets, restricted credit, higher taxation.

105. Notwithstanding this and despite the absence of any finance institution, Swaziland has succeeded in attracting industry and is continuing to do so. We believe that the Government should consider what tax concessions and investment allowances etc. for new industries could be given without detriment to the over-all budgetary position by way of further incentives to investors.

106. There is need to enable Swazis to participate in the Territory's industrialization. The Swazi leaders naturally contend that employment in industry is not their interpretation of participation. There are few Swazis in trade or business and none in industry. In this situation, one of the positive steps which could be taken is to encourage and assist the Swazis to participate in industrial development and in business. In this connexion the services of an expert to advise the Government in the field of small industries and small businesses would be invaluable. He would be required to ascertain the scope for development, having regard to the skills, materials, markets, etc. available, and to advise on the type of organization required within the Government to foster this development. The need for capital to assist a promotional programme will be vital, but the type of small industry or business which we envisage would qualify for credit assistance from the Swaziland Credit and Savings Bank, which might, at a later stage, establish a separate fund for loans of this type.

Other Sectors

Housing

107. There is a growing need for the provision of low-cost housing in the urban and industrial areas of Swaziland. This is particularly so in Mbabane, Manzini and at the industrial estate of Matsapa. But it also applies to a lesser extent in the neighbourhood of the major centres of agricultural and industrial development such as Piggs Peak and Big Bend, and near the smaller towns.

108. The Committee which reported in 1964 on Credit for housing and agriculture covered very thoroughly the field of credit for housing, both in the urban areas and for industrial workers. It recommended that the institution proposed for agricultural credit should also handle credit for housing. This recommendation was subsequently confirmed by the FAO Land Bank Expert.

109. The Committee envisaged a number of ways in which housing loans might be granted by the finance institution, including loans to Urban Local Authorities for the construction of houses for rental or tenant purchase, credit to individuals for houses built with permanent materials, "roof loans" to low-income employees, and loans to industrial or agricultural estates for their own housing schemes. The Credit and Savings Bank's constitution in fact provides for loans for "the erection and repair of buildings".

110. The priority in this programme is undoubtedly low-cost, high-density housing in urban areas especially in Mbabane and Manzini. A low-cost residential area has already been set aside in the vicinity of the Matsapa Industrial Estate, but the planning of housing there will depend on the development of the industrial estate.

111. The Mission favours an approach to the housing problem through the granting of loans to Town Boards, so that estates can be provided on a fully planned site and service basis. The requirements over the next five years for Mbabane and Manzini are estimated to be now over 1,000 houses. The total funds sought for these two areas alone are in the order of £500,000. Estimated total requirements over five years including other areas are nearer £700,000.

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112. While the need for housing is recognized, such funds as are available should not be diverted into housing pending the formulation of credit schemes in the productive sectors. When the Bank's initial capitalization has been finalized, and the loan from the commercial bank has been negotiated, we consider that an apportionment of the available funds should be made between the productive sectors on the one hand, and housing on the other.

113. The Government will need assistance on the establishment of housing estates by Urban Authorities. The services of an expert on low-cost housing schemes would be invaluable. The Town Boards have only recently been established, and personnel will be required for the management of these estates.

Medical and health services

114. In 1964-65, budgetary expenditure on medical and health services amounted to £190,383 (i.e. about 5 per cent of all budgetary expenditure) and similar expenditure will be incurred during the current financial year. Development expenditure for the two years 1964/66 is estimated at £305,270 (i.e. about 2 per cent of development expenditure). The reasons for the small proportion of funds allocated for medical and health purposes are primarily the low priority accorded to the services in a Territory which is heavily grant-aided, and the fact that religious missions and certain large industrial concerns also provide medical facilities.

115. The existing curative health services might be described as being reasonably adequate in urban areas. They are however inadequate in rural areas. The same applies to general public health measures.

116. There are at present 38 doctors, 7 hospitals providing 680 beds, and 30 clinics in outlying areas. Since the population is 280,000, there is, therefore, one doctor for every 7,300 persons and one hospital bed per 420 persons.

117. Preventive medicine, general public health work and the control of infectious diseases are carried out by two Medical Officers of health, four Health Inspectors and subsidiary staff.

118. The health problems which require the most urgent attention are tuberculosis control, rural health services, care of the mentally ill and improvements to hospital services, in particular, the virtual rebuilding of Mbabwe hospital,

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which is in a dilapidated condition. Attention is being concentrated on tuberculosis control and the improvement of rural health services; but lack of funds has so far precluded attention being devoted to the other problems.

119. The need to take care of the mentally ill is recognized in the Territory. Architectural plans are nearly complete for a mental hospital to accommodate 70 mentally deranged persons and the cost of the hospital is being worked out. When the exercise is completed, the Government will have to consider how the project can be financed. The hospital will accommodate all mental patients, men and women, who are at present housed in jails.

120. Mbabane hospital was built about 40 years ago and the ward accommodation extended in 1950. A tuberculosis ward was added in 1958. The hospital at present has about 150 beds and the average number of out-patients is in excess of 200 a day. Some of the major deficiencies of the present buildings are:

- (a) A totally inadequate out-patient department consisting of two small consulting rooms and one very small room for dressings;
- (b) Shortage of space and general ward accommodation;
- (c) Shortage of X-ray facilities;
- (d) Inadequate surgical facilities, including a shortage of theatres;
- (e) Inefficient kitchen and laundry facilities.

121. A preliminary plan for the development of Mbabane hospital into a 500 bed institution with full ancillary services was drawn up in 1959. The estimated cost was over £1 million and it was envisaged that work would be completed in three stages. However, no funds are at present available to complete even the first stage, the estimated cost of which is in the region of £400,000.

Roads and transport

122. Over the past decade considerable sums of money have been spent on the improvement of the roads system in Swaziland. In the 1956/60 Development Plan the emphasis was placed on bringing the main roads of the Territory up to all-weather standards and constructing up to gravel standards roads to serve the sugar-cane and forest areas which were then beginning to be developed. The programme was extended during the 1960/63 development period and was financed from C.D. and W. grants and loans, and a £1 million loan from the I.D.A.

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123. In June 1964, the Public Works Department submitted to the Swaziland Government a report on road requirements in the Territory over the next few years. The report dealt with an immediate need to improve the roads in the sugar-producing areas; took account of new demands made on the road system by the construction of the railway to the Mozambique border; and dealt with additional roads which may be required for new mining undertakings and also the need to provide better road communication between Southern Swaziland and the rest of the Territory. The programme embraced twelve road projects designed to promote development and to reduce transport costs and was estimated to cost £5.25 million.

124. It was hoped that the International Development Association would be prepared to make a further loan available to finance this programme. The international Development Association pointed out however that the funds at its disposal were not sufficient to meet all prospective demands and that, as Swaziland had already received on a per capita basis a larger amount than had been allocated to any other Territory, it would not be possible to justify any further loan to Swaziland for some time to come, irrespective of the merits of the programme.

125. One of the projects in the proposed programme (and one to which considerable importance is attached by the Swaziland Government) is Project No. 2 "Roads Serving Big Bend". We single out this project which involves black topping of some roads and the reconstruction of others, for special mention since it was suggested to us by commercial interests at Big Bend that the roads serving the area were in a deplorable condition and were totally inadequate for the amount of commercial traffic which uses them. According to calculations made by the Public Works Department, the cost of the project would amount to £651,500, a considerable sum. But on the credit side it was calculated that savings in maintenance charges would, over a period of twenty years, exceed loan charges by £110,443 and that savings to road operators over the same period should amount to about £1.1 million. Thus, prima facie, there would appear to be a case for completing the Big Bend road programme on the grounds that in the long run it would be false economy not to improve and reconstruct.

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126. It was impossible for the Mission to decide in the limited time available whether the present system of road communications in Swaziland is inadequate in relation to the country's present needs or whether the present system is an obstacle to economic progress. Our general impression is that scope for additional expenditure on roads certainly exists though the question whether such expenditure would be justified at present having regard to competing priorities for development funds is a matter which would best be left to local discretion. We feel bound to state however that any new public expenditure must be fully justified on the grounds of economic necessity. In the circumstances we recommend that before any further attempts are made to finance all or part of the proposed roads programme out of public funds, the costs should be fully investigated by a transport economist.

Special problem of South Swaziland

127. During the Mission's visit to Goedgegun it was represented to us that the southern part of Swaziland (the Shiselweni District) constituted an economically depressed area and therefore one demanding special consideration. This view was put by the Southern Swaziland Farmers' Association, which is composed largely of European farmers in the area. The problems communicated to us were:

- (i) Inequality of population distribution, with Swazi areas overpopulated and abused, while European-owned areas were underpopulated and therefore subject to sub-optimum use.
- (ii) Increasing resentment amongst Swazis over the large tracts of land owned by absentee landlords in Transvaal, which are either undeveloped or used for grazing.
- (iii) A general lack of social services in the area.
- (iv) A lack of good communications in the region and also to the north, which results in a feeling of separation from the rest of Swaziland.

128. These broad problems are to some extent accentuated by the fact that large-scale economic development, whether in agriculture, industry, forestry or mineral exploitation, is almost without exception in the northern and central areas of the Territory. The Association's members stated that a variety of crops had been tried in South Swaziland with little success. They now felt devoid of ideas and in their view the standard of farming was declining.

129. The Association's members felt that one way of dealing with this problem would be the progressive transfer of European-owned land to Swazi ownership. Land, we were told, could be purchased for £3 an acre from absentee landlords willing and anxious to sell, but lack of capital prevented any advantage being taken of the situation. Any land so purchased would have to be resettled by Swazis willing to adopt new agricultural methods under technical advice and guidance.

130. In the time available to the Mission, we were unable to examine the problems of Southern Swaziland in sufficient depth to be able to form any conclusions on the practicability of these proposals. We are, however, of the view that the situation in the area constitutes not only an economic problem, but potentially a political problem. We believe that a comprehensive survey should be made as soon as possible into the land capability of the area, with a view to the introduction of a programme of pilot projects for development, land transfer and settlement. A team to undertake such a study should include a land utilization expert, an agricultural economist and a sociologist.

CHAPTER III

BECHUANALAND PROTECTORATE

A. GENERAL

Geography and Population

1. The Bechuanaland Protectorate is a vast arid tableland which covers an area of about 225,000 square miles. It is bordered on the south and south-east by the Republic of South Africa, on the west and north by South West Africa and the Caprivi Strip, and on the north-east by Rhodesia. It touches Zambia in the north at the confluence of the Zambesi and Chobe rivers.
2. The present population is estimated at 540,000 of whom about 4,000 are Europeans. A recent census suggests that the population has been growing at a rate of 3.4 per cent a year. Continued growth at this rate would double the existing population by 1985.

Constitution

3. Under the new Constitution which came into operation in March 1965, there is a Legislative Assembly consisting of thirty-one directly elected members on a common voting roll, plus four specially elected members chosen by the Legislative Assembly itself. There is a Cabinet consisting of a Prime Minister and six other Ministers, all drawn from the legislature, together with the Financial Secretary as ex officio Minister of Finance.
4. Responsibility for external affairs, defence and internal security remains with Her Majesty's Commissioner who is, however, required to obtain the advice of Cabinet in the exercise of these responsibilities. In all other matters (except the Public Service in respect of which he has discretionary powers) he is normally required to act in accordance with the advice of Cabinet.
5. Chiefs are not eligible for election to the legislature but there is a separate House of Chiefs. This is primarily a consultative body, particularly in relation to chieftainship and tribal affairs.
6. At the first general election under the new Constitution, held on 1 March 1965, the Bechuanaland Democratic Party won twenty-eight seats and the remaining three

were won by the Bechuanaland People's Party. No date has yet been fixed for further constitutional advance though it is expected that Bechuanaland will obtain independence in the near future.

The Economy

7. Bechuanaland is primarily a cattle country. Cattle are the principal source of cash income in the economy and account for over 90 per cent of exports. It is the cattle industry which has raised the economy above the bare subsistence level and so far as can be foreseen, it is the development of the cattle industry to which the country must look for long-term economic development. The industry is, however, continually threatened by drought and outbreaks of disease.

8. The total number of cattle is estimated at 1,300,000 head. About 90 per cent of this is owned by Africans and the cattle subsist almost entirely on the natural velt. The remaining 10 per cent is owned by European settlers.

9. There is need to diversify the economy so as to reduce the dependence on the cattle industry. The best prospect, in the short-term, appears to lie in the development of agriculture.

10. The total arable land in the Territory is estimated at 8 million acres of which only about 800,000 acres are presently under cultivation, mainly in the Eastern region. Most of this acreage is cultivated by African farmers using traditional methods of husbandry with consequent low yields. Sorghum, maize, beans and cow peas are the main crops. The Department of Agriculture, through its extension services, has had some success in recent years in encouraging the expansion of crop production mostly through the Pupil Farmers Scheme.

11. Known mineral resources consist mainly of asbestos and manganese ore. Other minerals which might possibly be exploited in future include soda-ash, salt, copper and coal.

12. There is some private sector investment in agriculture and the livestock industry and there is prospect of further investment by the Rhodesian Selection Trust Exploration in the mining industry. The Commonwealth Development Corporation has participated in the construction and running of the abattoir and meat cannery at Lobatsi, the former in collaboration with the Livestock Producers Trust and the latter in co-operation with private enterprise.

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Budget

13. Until 1956, Bechuanaland succeeded in balancing its budget mainly by maintaining services at a low level. In 1956 the British Government undertook to give budgetary aid to the Territory (i.e. grants-in-aid) to enable the standard of services to be improved. That year a sum of £140,000 was provided towards an expenditure of £1,230,000. Since then expenditure has increased nearly four-fold while revenue has risen only three times: thus the annual deficits (covered by grants-in-aid) have risen over the 1956-66 period.

14. The budgetary pattern since 1956/67 is shown in the following table:

<u>Year</u>	<u>Expenditure</u> £m	<u>Revenue</u> £m	<u>Deficit (covered by grant-in-aid)</u> £m
1956/57	1,230	0.993	0.14
1957/58	1,633	0.967	0.48
1958/59	1,613	1.125	0.56
1959/60	1,913	1.237	0.65
1960/61	2,289	1.644	0.97
1961/62	2,882	1.642	1.155
1962/63	3,067	1.652	1.363
1963/64	3,356	1.699	1.592
1964/65	4,306	2.436	1.884
1965/66	4,562	2.787	1.75*

*Approved deficit

15. It should, perhaps, be mentioned that expenditure figures over the past three years have been swollen by the provision of budgetary funds towards the construction of the new capital at Gaborone.

16. It is not possible to forecast when Bechuanaland is likely to achieve economic viability. Additional expenditure will result when current recommendations by Salaries Commissioners for increased salaries for public service officers and teachers are put into effect. This will not only require additional budgetary assistance from the British Government in the 1965/66 financial year but will also

give rise to increased budgetary expenditure in subsequent years. The extent to which rising expenditure can be offset by a corresponding or greater increase in revenue in order to reduce or eliminate the budgetary deficit cannot at present be determined.

Development Expenditure

17. The 1963/68 Development Plan envisaged that expenditure over the five-year period would be £10.2m; about £7.8m of this to be spent in the first three years and the remainder, £2.4m in the 1966/68 period. The plan allocation for the first three years was subsequently increased to £8.374m due to increased expenditure on roads and the Gaberones Electricity Supply.

18. The stated objectives of the 1963/68 plan are briefly:

- (a) to equip Bechuanaland for early self-government by establishing the capital at Gaberones;
- (b) to develop secondary, post-secondary, vocational and adult education;
- (c) to establish the foundations for economic viability by the continuing of resource surveys and by infra-structure development;
- (d) to reduce budgetary deficits by investment in schemes designed to give a quick revenue return;
- (e) to maintain social services at an adequate level.

19. When the plan was first drawn up, the funds immediately available over the three-year period 1963/66 were estimated at £6.5m. In the event £7.446m became available including a British Government contribution of £2.716m by way of C.D. and W. grants and an I.D.A. loan of £1.3m towards the roads programme. The first two years of the plan-period have been marked by the considerable achievement of moving the administrative headquarters from Mafeking to a completely new town at Gaberones. The financing of the plan for the 1966/68 still remains to be determined.

B. NEEDS

Strengthening of the planning machinery

20. Bechuanaland has better machinery for economic planning than either of the other two Territories, though it too suffers from the lack of a statistical unit and planning economists. The Development Plan for 1963/68 represented a pragmatic approach to planning, which was inevitable in the circumstances of having no national income statistics and other data on which to base comprehensive planning. Nevertheless, it did constitute something more than a list of projects, and it set out broad aims and objectives which were translated into programmes and priorities for various sectors of the economy.

21. The Government has drawn up a revised public expenditure programme for the three year period 1965/68. This has been compiled against the sole criterion of the capacity of Ministries to spend. It has not been subjected to any methodic scrutiny by the Ministry of Finance, nor have detailed estimates been submitted in support of the various schemes. The main value of this draft programme is to give the Economic Co-ordinating Authority (see below) some indication of the level of public expenditure which Ministries would wish to carry out within their own particular spheres of responsibility. Apart from an examination of the financial implications and a realistic phasing of the proposed expenditure, the Authority must now determine priorities within this programme against the background of over-all national needs.

22. The task confronting the Planning Section of the Ministry of Finance in any evaluation of this programme is made all the more difficult by the continued inability to fill the posts of statistician and economic planner, which are the subject of application under UNEPTA. This is a vital need to the whole planning machinery in the Territory and the Mission hopes that every effort will be made to fill these appointments without further delay.

23. Economic planning falls within the portfolio of the Minister of Finance. The Government proposes to establish within the Ministry of Finance, a Development Planning Unit consisting of an economist, a statistician and a senior administrative officer. This unit will be responsible for organizing economic surveys and for scheme evaluation. The Mission suggests that it should also be

responsible for rendering advice to the Planning Authority on co-ordination, on assessment of priorities, on external capital and technical assistance, and for reviewing progress. It is essential therefore that it should be adequately staffed both at professional and administrative levels. The planning unit should preferably be headed by a senior officer with administrative financial and economic experience and not by the economic planner who should be free to devote his time to purely planning functions.

24. An Economic Co-ordinating Authority has been established, consisting of H.M. Commissioner, the Prime Minister, the Deputy Prime Minister, the Minister of Finance and the Parliamentary Secretary (Ministry of Finance). An officer of the Ministry of Finance acts as the Secretary of the Authority.

25. The functions of this body are to co-ordinate the work of preparing national development plans, prior to submission of such plans for Cabinet approval. It will be serviced by the Development Planning Unit. The Authority will also review progress on approved projects in all sectors of the economy, and determine the nature of surveys to be carried out by the Development Planning Unit.

26. As Bechuanaland moves closer to independence, we consider that there would be advantage in making some adjustments in the planning machinery to increase its effectiveness. We suggest that the Economic Co-ordinating Authority might become a National Planning Committee under the Chairmanship of the Prime Minister with the following functions:

- (1) plan preparation in the light of over-all national policies;
- (2) plan implementation and control of development expenditure; and
- (3) the co-ordination of capital aid and technical assistance.

27. The Development Planning Unit, when established and properly staffed, would then become the Secretariat of the National Planning Committee, responsible for the submission to the Committee of all matters concerning economic development and planning, and for conveying the Committee's directives to the Ministries concerned. We believe that, since it will deal with matters of over-all policy, the Planning Unit should ultimately come under the direction of the Prime Minister.

28. The Government also proposes to establish an Economic Advisory Council, to achieve co-operation between Government and the private sector (the latter to comprise private business and labour organizations). It will advise the Minister of Finance on economic development and trends in the private sector.

29. The Mission feels that such a Council might be expanded in terms both of its composition and functions. We suggest that it might include representatives of all economic and social interests and be advisory to the National Planning Committee. It would assist in the co-ordination of plans for the public and private sectors, and also act as the "sounding box" for Government's own economic policies.

30. The planning machinery in Bechuanaland has already moved from the stage where it is, in effect, planning expenditure against the funds available, to a stage where an attempt is being made to plan against objectives expressed in real terms. Primarily, expenditure must be related to the raising of real per capita income (presently assessed at between £18-21 per annum) and secondly, to the maintenance of social services and to a reduction in the budgetary deficit. What is now required is to translate these objectives into a comprehensive plan and to ensure that funds are expended on balanced programmes designed to realize these aims. The early establishment of a properly staffed Planning Unit, with appropriate planning bodies, is, therefore of the very highest priority.

Development of Agriculture and Livestock

Statement of the present position

31. Although the economy of Bechuanaland is based on the livestock industry, it is estimated that over 8 million acres are suitable for cultivation. About 800,000 acres are presently under cultivation, largely in the eastern region, where annual rainfall averages between 16-20 inches. Over much of the rest of the country, arid conditions prevail. Apart from the main rivers and the Okavango Swamp area in the north-west, there is no permanent surface water. The cattle industry depends almost entirely on underground water supplies and there has been virtually no development of water resources for agricultural purposes.

32. Sorghum, maize, beans and cow peas are the main crops grown. The level of land management is generally low, although there have been significant results in areas where agricultural extension work has been concentrated. The uncertainty of rainfall determines to a large extent agricultural production and hence the fluctuating pattern of trade and produce. There is normally a net import of maize and a net export of grain sorghum. In a year of poor rainfall, however, the maize imports rise sharply and exports of sorghum and pulses are virtually nil.

This is illustrated by the trade figures for 1961 and 1964, a year of good rainfall and a year of poor rainfall respectively:

	<u>Imports</u>		<u>Exports</u>	
	(Bags of 200 lbs)			
	<u>Maize</u>	<u>Sorghum</u>	<u>Sorghum</u>	<u>Cow Peas</u>
1961	91,487	7,525	178,934	68,112
1964	268,119	88,603	157	189

33. The country has been passing through a series of poor rainfall years since 1962. Food crops have been short and maize imports from the Republic of South Africa have averaged over 200,000 bags per annum in the last three years. The drought conditions prevailing this year have constituted a severe set-back to the country's economy. To alleviate the general shortage of cash income, the abattoir at Lobatsi has been stepping up the off-take of cattle for slaughter. The normal off-take from the national herd (estimated to be about 1.3 million head) is around 100,000 a year. In 1962, 111,000 head were purchased by the abattoir; in 1963 the figure was 130,000. At the time of the Mission's visit to Bechuanaland in May 1965, the abattoir was slaughtering up to 1,100 head a day. This high off-take rate cannot be sustained except at the expense of the national herd. Cattle mortality figures are also expected to be high this year due to the drought conditions. It is generally held in the Territory that it will take some years for the cattle industry to recover from the series of poor years which have been experienced since 1962.

34. In any programme of livestock or agricultural advance, a problem is posed by the system of land use in the tribal areas. Land is owned by the tribe, and a farmer is allowed the use of an area for cultivation and a share of communal grazing land. Generally the people live in villages in the "lands", i.e. the areas of cultivation, but cattle are held at "cattle posts" which may be a considerable distance from the lands. This system renders it extremely difficult to integrate crops and livestock in a mixed farming economy. The lands areas are generally unfenced and there is a danger to crops if cattle are brought into the cultivated areas. A farmer's time is divided between his farm at the times of planting and harvesting, and the outlying areas where he grazes his cattle.

35. The agricultural economy of Bechuanaland is considerably affected by climatic fortune from year to year. Against this background, the strategy for development must of necessity be kept flexible. In the short term, the Mission inclines to the view that a concentrated effort on production of cash crops would yield quicker returns and higher per capita income than increasing investment in the livestock sector. In the long term, the way must be prepared for the development of the cattle industry as a national economic undertaking. This will involve a programme of physical resource surveys on land, pastures, water etc. on which to base livestock improvement measures; secondly, the basic services for a large-scale commercialization of the industry must be provided - credit facilities, marketing organization, communications etc.; and thirdly, a social environment must be created in which the fundamental changes of attitude requisite to development can be achieved.

Potential for crop production

36. It is estimated that there are about 90,000 farmers in Bechuanaland, and that the average holding is fifteen acres per farmer. Such agricultural advance as has taken place over the past few years has resulted almost entirely from the expansion of agricultural extension services and the growth of the Pupil Farmers Scheme. This scheme depends on the effectiveness of agricultural demonstrators, of whom there are now almost 100 (out of an establishment of 150), giving a ratio at present of one to every 900 farmers. The Department of Agriculture considers that in the lands areas, one demonstrator can only be effective in teaching twenty farmers, each utilizing about thirty acres of arable land. The present intention is to raise the number of agricultural demonstrators to 250 and this is regarded as being the priority in the existing agricultural programme. On the optimum ratio proposed, only 5 per cent of farmers in any one year could expect the services of agricultural extension; the problem is therefore how to expand agricultural production within the limitations of extension services.

37. The Pupil Farmers Scheme grew out of a demonstration plot project in the late 1940's. Individual farmers were encouraged to start three-acre plots using Agricultural Department advice. This scheme was later expanded to involve the whole of the individual's land holding, and from under 500 farmers in the scheme

in 1958, there are now over 2,000. Some fifty of these are classed as Master Farmers and 250 as Progressive Farmers. Using better implements, fertilizer, improved varieties of seeds and advanced methods of land husbandry, these farmers have not only increased their own wealth, but they have become examples within the community of what can be achieved in agricultural production.

38. In the 1950's, the average yield per acre of food-crops was 0.8 of a bag; pupil farmers have realized between twelve to sixteen bags per acre. Even in years of poor rainfall, as have occurred over the past four seasons, pupil farmers have achieved results where other farmers have suffered almost total crop failure. A progressive farmer, using all the techniques available can realize a gross return of £10 per acre or £300 a year from a thirty-acre holding, divided into five acres of legumes, five acres of cotton and twenty acres of grain crops.

39. Development of agricultural production is therefore dependent on the effectiveness and expansion of agricultural extension work. The success of the Pupil Farmer Scheme has naturally led the authorities to base their programme on a progressive expansion of this scheme, which is itself dependent on the out-turn and employment of trained agricultural demonstrators from the Agricultural Training College. Reference to this aspect of agricultural development will be made in paragraphs 103-107. However, it is already apparent that the number of agricultural demonstrators required to make any sustained assault on the agricultural sector simply cannot be produced immediately. While it can be demonstrated that the annual return on one effective agricultural extension worker more than justifies the expenditure on his training and employment, clearly more radical methods must be adopted if any real break-through in agricultural production is to be made.

40. There is therefore a need to examine other ways of achieving this. The Mission favours an approach to this problem by the provision of farm institutes, offering short residential courses to farmers, where techniques can be taught in theory and demonstrated by the use of model farms attached to each centre. By this means, extension staff can be concentrated and the number of farmers who can benefit from instruction can be considerably increased. This should also enable agricultural demonstrators in the field to cover more than the twenty or so "pupils" at present regarded as the optimum number per demonstrator. In our

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view a programme for farm institutes in each of the main arable regions of the country should therefore be devised and implemented. In addition to capital for buildings and equipment, suitably qualified staff will be required.

41. The people of Bechuanaland are traditionally pastoralists, and it is important to ensure that any investment of additional effort in crop production is commensurate with the cash return realized from this effort. The soils, terrain and climate are such that the range of possible cash crops is restricted.

42. Dry-land cotton appears to offer the best prospect. We were informed that there is a ready market in the Republic of South Africa and the price paid for raw cotton is at present higher than the world market average. Even on a rainfall of eight inches, yields of 280 lbs per acre have been achieved; on a rainfall of sixteen inches, 500 lbs and more can be realized; and in higher rainfall areas, 1,500 lbs is not unknown. Drought-resistant seed varieties have been introduced, and spraying techniques against insect pests have been developed. Every encouragement should be given to the Agricultural Department's efforts to extend the growing of cotton amongst progressive farmers. The development of cash crops such as cotton would be facilitated if co-operative marketing societies could be successfully promoted; at some stage it will probably be necessary and desirable to establish a cotton ginnery in the Territory, and at that time it will be important that growers should participate in the profits of processing. Further reference to this is made in the paragraphs 67-69 covering co-operative development.

43. Apart from the need to stimulate cash crops, it is also the aim of the Agricultural Department to achieve self-sufficiency in basic food-crops. Two related schemes have been evolved to meet this need. The first is a seed-breeding scheme to ensure the use of pure sorghum seed for planting. Due to recent droughts, hybrid sorghum has been imported from the Republic of South Africa to supplement food supplies, and some of this seed has been used for planting. This has resulted in poor yields from seed unsuitable to the environment. The Department proposes to utilize 600 acres of land purchased at Gaberones to produce a pure-bred sorghum seed for sale. The second scheme involves the provision of grain storage facilities, both by persuading farmers to store grain on their own farms and by establishing a central grain storage plant. By these means it is hoped that the fluctuations in imports and exports of sorghum, resulting from the climatic factors in each successive year, can be avoided, so that Bechuanaland can become a net exporter of grain after all internal demands have been met.

44. It is estimated from reconnaissance soil surveys that there are 180,000 acres of land suitable for irrigated crop production in Bechuanaland. Only about 3,000 acres are at present utilized, mainly in the Tuli block, a narrow strip of land along the Limpopo River. Yields under irrigation of cotton, maize, lucerne and ground-nuts have been impressive, giving a return of between £50-£100 per acre. A number of schemes involving dam construction are being considered. Most of these are intended for supplying water for human consumption and for livestock. There is need to integrate these schemes with the requirements for irrigation. An investigation has already been carried out by a soil surveyor to ascertain the extent of irrigable soils in the Shashi River area. The estimates show 2,000 acres potentially suitable for crop production under irrigation. Development would necessitate the pumping of water to a suitable storage above the site. The Mission believes that further investigation is needed into the potential for irrigated agriculture in the eastern region, not only to obtain additional hydrological data (to which reference will be made later) but equally important, to determine the agricultural pattern for crops under irrigation. An agricultural economist should be assigned for two years to evaluate and analyse the economics of dry-land farming and irrigated crop farming. The services of the soil surveyor should also be extended to complete detailed work in other potential areas. The possibility of schemes for the construction of small dams, with limited storage capacity, for selected valley areas should also be examined.

Future of the livestock industry

45. The livestock industry in Bechuanaland hinges on the production of beef cattle. Sheep and goats are also reared by Africans for local consumption, and there is a small amount of dairying in some European areas. The cattle population is concentrated in the eastern region in the vicinity of the railway, but there are important areas in Ngamiland, Ghanzi and in the Molopo River area in the south. In the tribal areas, cattle play an important part in the life of the people; they are also extensively used for ox-ploughing. Cattle are generally reared by open range ranching methods, which render them vulnerable to drought and susceptible to disease. On the other hand, the indigenous breed is well suited to the dry environment of most of the Territory. The standard of animal

husbandry is low; this is aggravated by the farming system, to which reference has already been made, whereby arable and pastoral farming are not integrated due to the practice of holding cattle at cattle posts rather than in the "lands" area.

46. A high percentage of available funds for the livestock sector has of necessity to be devoted to the maintenance of animal health and disease control. Thus cordon-fencing has been constructed across large parts of the Territory and along the borders as measures against epizootic disease. There have been six outbreaks of foot and mouth disease in the past seven years, but these have been successfully controlled. In the north, a large area including Okavango Swamps, is invested with tsetse fly and heavy expenditure is incurred annually in preventing the spread of infestation by maintaining cleared fly belts. The present Development Plan includes a number of more positive schemes covering livestock improvement, animal husbandry, water supplies and livestock research.

47. Processing and marketing of cattle have been a monopoly since 1955 when the Government gave control of all exports of cattle and beef to the Commonwealth Development Corporation (C.D.C.) for a period of ten years. The C.D.C. set up the Bechuanaland Protectorate Abattoirs at Lobatsi, capitalized with an equity of £300,000 which in 1960 was divided between C.D.C. with 50 per cent holding, the Government with 25 per cent, and the Livestock Producers Trust (L.P.T.) with 25 per cent. C.D.C. also has a debenture in the B.P.A. of £300,000.

48. The Livestock Producers Trust was established to give the producers a share of ownership and thus representation on the Board of Directors, and to provide the framework for ultimate purchase of the abattoir from the C.D.C. The six trustees of L.P.T. are elected by the Legislative Council and the trustees in turn elect two directors to the Board of B.P.A. The L.P.T. presently holds 25 per cent of the equity of the company and is also purchasing from C.D.C. the debenture in the company. All earnings in excess of the 6 per cent interest paid on share capital and debenture are deposited in the Trust to build up reserves for purchase of additional shares or debenture capital from the C.D.C.

49. In 1961, in order to expand into markets overseas, B.P.A. entered into a joint venture with a private interest in the establishment of an Export and Canning Company (E.C.C.O.); this company is owned 60 per cent by B.P.A. and 40 per cent by a private businessman. The company packages and freezes specific cuts of meat, utilizing the trimmings and other cuts for canning in the form of corned beef and its variants.

50. A full investigation of the livestock industry was carried out in 1963 by an FAO Mission. A White Paper on the Mission's recommendations was presented to the Bechuanaland Legislative Council in 1964. The report dealt with methods of production, processing and marketing, and this has assisted the Government in formulating its policy on the future of the industry. In brief, it is proposed that B.P.A. will be taken over as a statutory corporation on the lapse of the present agreement with C.D.C. This will give the Government greater powers of control on the whole subject of meat processing and meat exports, which is vital in view of the importance of the industry to the country's economy.

51. There is however need to improve the system for the internal marketing of beef cattle. At present, marketing is done mainly through traders or through cattle dealers, most of whom are Europeans. An alternative is for the producers to sell direct to the abattoir. Recently more African producers have been marketing direct; there has also been development of small auctions in the country where traders and other buyers compete for purchases. A feature of the internal marketing system is the buying of cattle from tribal areas by European farmers for fattening prior to despatch to the abattoir. This, of course, is important in ensuring that animals are sold to the abattoir in a condition fit to slaughter. Despite this, however, there is much economic waste in the delivery of animals in an emaciated or poor condition. The Mission believes that the whole marketing system should be reviewed in order to ensure the maximum return to the producer, consistent with an assurance of optimum through-puts at the abattoir and the cannery. Although there are a number of Africans owning large herds, the average holding is only eleven heads per farmer. The problem is to integrate him as a cattle producer into the commercial marketing of livestock.

52. The present selling procedure, under which a trader or speculator buys for subsequent resale to the processing plant, does not represent the most satisfactory marketing system from the producer's point of view. The factors which the buyer must take into account in determining the price offered to the producer will not always be understood or appreciated by the cattle owner. We believe that the cattle producer might gain a greater return on his stock by selling through marketing co-operatives. This could be achieved by societies selling on a consignment basis on behalf of their members, or by the co-operatives buying on a

weight/quality basis from their members. It is important that co-operative society members should receive cash payments for their stock, and the method adopted for co-operative marketing will depend to a large extent on the society's ability to obtain credit for purchases from their members. We suggest that the Co-operative Department should consider forming cattle marketing co-operatives as soon as their staff position allows.

53. Reference has been made to the need to ensure that animals are sold to the abattoir in a condition which will yield maximum return to the producer. The establishment of holding grounds for the pre-conditioning of stock is one way of achieving this. The problem is how these might be financed. Co-operatives are as yet too undeveloped to envisage the establishment of such holding grounds by co-operative enterprise. If public funds could be found to finance limited schemes, cattle producers might be paid the difference between the purchase price and the ultimate sale price to the abattoir, after charges had been deducted. We consider that, notwithstanding previous adverse experience, the possibilities of the development of holding grounds should be closely examined, particularly in relation to the potential use of the Crown Lands for stock purposes.

54. Connected with the marketing system is the whole question of the development of better communications for the movement of cattle. In the eastern region, cattle are moved by rail from loading points along the line down to Lobatsi. The offtake of slaughter cattle from Ngamiland is exported live either to the Rhodesian Cold Storage Commission for slaughter in Bulawayo, or to Zambia for slaughter in Livingstone. In the case of cattle from the Ghanzi area, these are trekked over 400 miles to Lobatsi along a comparatively well-developed stock route. The FAO Mission (see paragraph 51) strongly urged the construction of roads, particularly Maun-Francistown and Ghanzi-Lobatsi, as a means of expanding and developing the industry and the gradual abolition of trekking in favour of road transport. The former road is to be brought up to all-weather standard under an I.D.A. loan, but the justification for improvement of the Ghanzi-Lobatsi road is not yet established. A study of road transport economics versus the possibility of air freight is required. We make reference to this in paragraph 141.

55. In the long term, development of the livestock industry must involve not only an increase in the size of the national herd, but also a steady improvement

in quality. Given that animal disease can be contained, and eventually eliminated, the problem arises of determining the priority needs in the livestock sector in order to ensure a progressive increase in its contribution to the national economy. We have already stressed the need for re-organization of the internal marketing system in relation to changes in the processing organization (i.e. Lobatsi abattoir and cannery). Beyond this, the Government is undertaking various schemes related both to quantity and quality of stock. In the former category, there are proposals to open up Crown Lands, where natural grazing is available, provided that water can be found. On the improvement side, the Bull Subsidy Scheme has been started, under which high quality bulls are made available to progressive livestock owners on a repayment basis. Livestock development teams have been formed to supervise the introduction of borehole schemes, also on a repayment basis. Education in animal husbandry through extension work is also provided for in the development programme.

56. The reconnaissance soil survey indicated that some 600,000 acres of the Northern Crown Lands might be suitable for cattle ranching, provided that water could be made available. The area is however largely populated at present by game animals. Before any large-scale development is contemplated, a land use policy should be formulated for the whole area. For this purpose, an ecological survey is required. The team to undertake this task should include an ecologist, a range management expert and a research veterinarian.

57. In the Southern Crown Lands, soil surveys must be carried out before any more land is utilized for ranching settlement. In the Kalahari region it appears that the environment is unsuitable for cattle and any future development would focus on the cropping of wild game for meat.

58. The question of further livestock development in the Okavango Swamp region is bound up with the lack of grazing areas in Ngamiland and the problem of tsetse fly control. In Ghanzi, cattle population is expanding in what are primarily European areas owing to the development of ranching. This leaves the Eastern region which, because of reasonable rainfall and grazing conditions, contains about four-fifths of the cattle population of the Territory. In the tribal areas, as already noted, improved animal husbandry is impeded by traditional practices which prevent the introduction of integrated mixed farming.

59. Experience over the past four years of drought conditions suggests that better stock quality and also a curb on pasture deterioration around existing water points can be achieved by the development of new water supplies in the western areas of the Bamangwato, Bakwena and Bangwaketsi tribal areas. The striking of new boreholes on the fringes of the Kalahari has opened up additional cattle grazing areas. This has had the dual effect of relieving pressure on already over-populated and over-grazed land, and of providing new land for better quality stock. The answer in the longer term to the problem in the tribal areas probably lies in a fundamental change of attitude towards stock rearing, which might eventually lead to more controlled use of both water and pasture resources, and to the enclosure of pastoral and arable land.

Extension of credit facilities

60. Until 1963, the only credit facilities available in Bechuanaland outside the commercial banks were the American Revolving Loans Fund and the Agricultural Loans Fund. The former fund was set up in 1961 with a capital of £31,000 furnished by the United States Government specifically to provide character loans to African farmers; loans have been granted over two- to three-year periods for the purchase of implements, seeds, fencing etc. The record of repayment has been good, but the whole operation of the fund has depended on close supervision of credit by agricultural extension staff and the number of farmers who have benefited from loans is small. The Agricultural Loans Fund was provided to make secured loans to European farmers for the purchase and improvement of land.

61. In 1963, the Bechuanaland Government promulgated a National Development Bank Law, which became effective in May 1964. The Bank took over existing loan funds and it was agreed that revenue derived from the sale of Crown Lands should be allocated as unrecallable capital of the Bank up to £350,000. It is understood that about £110,000 has so far been realized from this source.

62. The balance sheet of the Bank as at 31 December 1964 showed that the total available capital was in the order of £135,000 made up mainly of the American Revolving Loans Fund (£31,800), a General Loans Fund (£10,000), a Home Ownership Fund (£35,000) the Oxfam Fund for Boreholes (£10,000) and unrecallable capital of £45,000. The Oxfam Fund has been used for the equipping of boreholes, and

loans for this purpose are secured by two sureties or guarantees. They are repayable over five years. The Home Ownership Fund was established with an Exchequer Loan from the British Government and is to provide for low-cost housing schemes at Gaberones, and other urban centres.

63. The objective of the Bank is described as being "the promotion of the economic development of Bechuanaland" through the provision of credit. It appeared to the Mission that apart from the boreholes programme, the continuation of small character loans from the Revolving Fund and the loan to Gaberones Municipality for housing, the majority of the money "realized" from the sale of Crown Lands had been relented to purchasers of land by way of mortgage finance. We were told that thirty loans had been made to enable European farmers to purchase and improve land. The implication is that money available for other types of small loans will derive from the annual repayment of principal and interest on these mortgages. As far as we could ascertain, the Bank is operating (except for the Revolving Fund) on purely commercial banking lines; security on land is being taken where possible, and where this is impracticable, sureties and guarantees are being sought.

64. A specific example relates to an agreement in principle given by the Board at the end of 1964 to make crop loans of up to £7,500 to three co-operative societies. The Bank agreed to this subject to approval of individual applications to be submitted by the societies and to the securing of loans by a lien on the crops. The Cooperative Department had evolved a system for the handling of the finance which rendered misuse of the money by the societies virtually impossible. However, the Bank, on legal advice, was demanding conditions relating to the securing of the loan that were far too stringent to be practicable. The result was that the co-operatives had been unable to draw on the credit facilities of the Bank at the time when the crops were ready to market.

65. A credit institution of this type, if it is to serve any useful function, must operate in fields where ordinary commercial bank credit is restricted. It should be used as an instrument of Government policy, and while it must operate on basic banking principles, it must show imagination and be prepared to accept risks in order to perform the purpose for which it was established. No policy appears to have been evolved on the use of funds for credit injection into the

African sector of the economy; small short-term loans to pupil and progressive farmers will be limited by the ability of agricultural extension workers to supervise the use of the credits. The Revolving Loans Fund is allowed to make loans ranging from £5 to £1,000; however, the administrative costs of large numbers of small loans are prohibitive. We feel that one of the best ways of injecting capital into African agriculture may be through marketing co-operatives.

66. The constitution of the National Development Bank makes no provision for savings, except that it provides for the issue of National Development Bonds. Experience on the use of bond schemes to mobilize local savings has been varied in Africa. In a country as poor as Bechuanaland, with its present low per capita income, there is some doubt as to whether bond issue of this kind would have any success. On the other hand, we understand that money is saved through building societies in the Republic of South Africa, ordinary commercial bank savings accounts and the Post Office Savings Bank. The question of establishing savings facilities in the National Development Bank on the lines of the Swaziland Credit and Savings Bank scheme should be seriously considered.

Role of co-operative development

67. Co-operation is very undeveloped in Bechuanaland. A new Cooperative Law was enacted in 1962 and a grant was made by Oxfam to assist in the establishment of a small co-operative department. To date, only a handful of societies have been started; there are now four marketing societies, one consumer society and one borehold maintenance society. Societies have up to now worked on a cash basis and have not received loans from any source.

68. The Cooperative Department is now financed under a C.D. and W. scheme. Its staff is small, and the funds available to it are limited. While some effort has been made towards the co-operative marketing of cash crops, no attempt has been made to introduce co-operative principles into the field of cattle marketing. As already noted, the few existing co-operative societies have not been able to take any advantage of credit facilities through the National Development Bank.

69. In the Mission's view, a more positive approach to the development of the Cooperative Movement is required. We have earlier expressed our opinion that in the field of cattle marketing, the development of cattle marketing co-operative

societies offer the best opportunity for ensuring that the producer obtains the maximum return on the sale of his stock. With regard to the development of cash crops, such as cotton, we have also indicated our view that the producers must eventually participate in the profits of cotton processing, and marketing co-operatives would provide the surest way of achieving this at the appropriate time. Additional assistance both in staff and funds to expand the co-operative movement is essential if there is to be any rapid expansion of agricultural production in the country.

Education and Training

Statement of the problem

70. With the rapid constitutional advances now being made, Bechuanaland faces a difficult problem of resolving conflicting needs in respect of education and training. In the first place, the Territory is seriously deficient in trained manpower and everything possible must be done to increase output at the secondary and higher vocational levels. Secondly, it is called upon to provide basic education to satisfy the requirements of a rapidly growing population and increasing public demand. Thirdly, it must endeavour to achieve its objectives without incurring expenditure of such magnitude as to endanger the whole fabric of self-government. At present, recurrent expenditure on education represents 17 per cent of the total revenue, including grants-in-aid from the British Government, or 35 per cent of the revenue produced by the Territory itself. Clearly, expenditure of such magnitude cannot be maintained by the Territory unaided and it would be unrealistic to consider anything other than the most selective expansion unless Bechuanaland can count on continued outside financial assistance until such time as its economy is sufficiently developed to carry the burden. This overriding consideration must be constantly borne in mind in assessing educational needs.

71. Bechuanaland's educational needs at all levels are enormous. However, with limited funds available it has no alternative but to concentrate on the highest priorities. First among these is the need to take urgent measures to remedy the dearth of qualified manpower. In 1964, out of 182 professional and administrative

posts in the Public Service, only 21 were held by local officers, while in the executive and technical branches there were only 114 local officers out of 535 established posts. In all sectors of the economy there are at present only about 90 Africans with University degrees or similar qualifications, 581 school certificate holders, and 2,499 persons holding a junior certificate, representing three years of secondary education and about 10,000 primary school certificate holders.

72. The heavy dependence on non-Africans to fill key posts carries with it a strong element of insecurity, especially as regards the public sector for it is not possible to forecast how many of the expatriate staff might leave after independence, either for reasons of their own or in response to pressures for rapid localization. Clearly it is desirable to localize the Civil Service as quickly as possible, but sufficient numbers of qualified local candidates are simply not available at present and are not likely to be forthcoming for some years. The cause of this situation is to be found in an educational system which in 1964 produced only 27 School Certificate graduates and in which the number of pupils in the last two years of secondary education represented only 0.13 per cent of the total school enrolment.

73. In a country with about 70 per cent illiteracy where only a minority of the school-age population attends school, it would be tempting to aim at a substantial increase of primary enrolments, but to do so without first ensuring qualitative improvements would be disastrous since it would result in the further deterioration of an already deplorable situation. At the present time there is a wastage rate of about 80 per cent of pupils throughout the school system and the incidence of school drop-outs is especially heavy in the early years of the primary level. In 1964, the entry into secondary schools represented only 3 per cent of the students who entered primary school in 1957 and, at the current rate of wastage, less than one-eighth of these may be expected to continue beyond the third year secondary level.

74. Given the fact of Bechuanaland's limited financial resources, the Mission believes that, despite any public feeling to the contrary, it is essential to concentrate any additional development expenditure on areas which will produce the greatest economic returns. In education, this implies in the main expansion

of secondary and vocational education to meet the most urgent needs. As far as primary education is concerned, the desire to expand enrolments will have to be subordinated to the more immediate need for qualitative improvement, especially in standards of teaching and school facilities in order to reduce the enormous economic losses now resulting from wastage, particularly at the junior grades and to increase the proportions of students who graduate from Standard VII and those who proceed to secondary education.

75. The first task, the Mission believes, must be to carry out a manpower survey in order to determine in quantitative terms the Territory's manpower requirements both immediate and in terms of its development objectives. Once the targets have been set it will be necessary to draw up a development plan for education tailored to fit these needs. The Mission feels that careful planning in education is of primary importance for, regardless of what aid Bechuanaland may receive in the short term after independence, it cannot afford to assume a burden of recurrent educational expenditure which might inhibit its action in other no less urgent fields.

Strengthening of the basic educational system

76. The educational system in Bechuanaland is defective at all levels, but it is particularly weak as regards secondary education. This results from the fact that until comparatively recently, Bechuanaland depended upon institutions in neighbouring territories, especially the Republic of South Africa, for all forms of secondary and post primary training. Until 1944 no secondary education was undertaken in the Territory and it was only in 1954 that a full secondary course up to School Certificate level became available. Primary education also has expanded only during the last ten years from a very meagre enrolment of only 20,000 students in 1955 to 62,839 in 1964. Even this is hardly adequate for a population of over 540,000, but it is much more depressing to note that in contrast to the large primary enrolments only 805 students obtained the primary school certificate in 1964 and only 1,036 are currently undergoing secondary schooling.

77. Primary education consists in principle of a seven-year course culminating in the primary school certificate examination, but of the 241 primary schools

less than one-third offer the full course while (in 1964) 87 schools offer only 4 years or less. Theoretically, students may pursue their studies by transferring from one school to another, but in practice there must be limits to this owing to the distances involved and the availability of places.

78. The recent enormous increase in primary enrolments has placed a severe strain on the funds available for education. With the exception of some 40 government schools and about 12 run by religious missions, the remainder of the schools at this level are the responsibility of local authorities which finance them out of tribal funds (tax revenues), supplemented by government grants-in-aid. The major part of the funds available (varying from about 84 per cent to over 95 per cent) is required to pay teachers' salaries, leaving little over for school construction, equipment or teaching materials. Largely as a consequence of the school population explosion, there is great diversity in the standards of primary school facilities in different areas. While some schools are well constructed with a pupil/teacher ratio of under 40:1, there are many schools consisting of a single room and classes of over 80 pupils are not uncommon. Some schools, indeed, are not sufficient to house the pupils on their rolls, even though many are working on a shift system, and classes have to be conducted in the open.

79. Throughout the primary schools there is a dearth of equipment and teaching aids, especially books. Add to this the fact that of the 1,364 primary school teachers in 1965, 51 per cent have no professional qualifications and no formal education beyond the primary level and it is not surprising that standards are low and instruction is often by rote. Here again, it must be pointed out that there is considerable diversity in standards. The fact that 10 per cent of the primary schools achieved over half the total number of primary certificate passes in 1963 indicates that the standards in the majority of schools are of a generally low level. The weakness of the system tends to be self-perpetuating. One of the contributory factors is the barely subsistence level of wages paid to unqualified teachers as a result of which such teachers tend to be drawn from the lowest category of primary school certificate passes.

80. Other weaknesses of primary education are the large number of children who repeat classes, the wide age range of pupils, which extends up to 20 years even in the first year, and the extremely high level of wastage, particularly

during the first four years. Although the Mission does not possess precise data on pupil wastage, it is significant that in 1964 over 65 per cent of the school population was in the first three years of the course and only 6.4 per cent in the seventh year. Wastage of such proportions represent a severe economic loss to the Territory, especially since it must be assumed that children who leave school with less than four years' education will relapse into illiteracy.

81. The Education Department estimates that in order to raise standards at the primary level it is necessary to provide 400 additional qualified teachers and to build 1,000 new classrooms. We will revert to these matters at a later stage. It is sufficient to comment here merely that these requirements are based on present enrolments and do not take account of the future effects of population growth and increasing demand for education.

82. Some improvement of primary education is essential if only to increase the flow of students into secondary education. In 1964 the total enrolment at the secondary level was 1,036, of whom 429 were in their first year, the latter figure representing approximately the annual rate of entry to the secondary course. If 1964 is taken as a basis, it may be expected that little more than a quarter of original entrants will present themselves for the third year Junior Certificate examination and only about one-eighth will successfully pass it and pass on to the higher forms. In 1964, 136 students obtained their Junior Certificate and there were 39 candidates for the School Certificate examination, of whom 27 obtained passes. When it is recognized that merely to replace existing key non-African personnel in the Territory without having regard to future requirements or to the need to up-grade teachers, it would be necessary to produce 873 school certificate holders and 489 Junior Certificate holders, the total inadequacy of the present output becomes apparent.

83. At the present time there are 8 secondary schools, only 2 of which offer a full five-year secondary course although 2 others plan to present candidates for School Certificate in 1966 and 1967 respectively. With one exception all schools are small and suffer from lack of adequate equipment, including science laboratories, adequate libraries and study facilities. Only 3 have boarding accommodation and not all of the 61 teachers in the secondary schools have

themselves received a full secondary education. Since the average enrolment per school is under 120 pupils, and 8 schools together obtained only 136 passes in the Junior Certificate examination, it is clear that at their present size the schools are too small to be fully efficient. Furthermore they are not all located strategically in areas of greatest need.

84. If secondary education is to produce a sufficient output to cope with immediate essential needs and to take account of the increasing demand for educated persons which will arise as the economy develops, urgent action must be taken to expand and improve secondary facilities. The draft expenditure programme for 1965-1968 rightly gives this the highest priority as does the Development Plan which it is designed to replace. The original plan proposed that secondary education would be regrouped and centralized in six schools, each offering full secondary courses and with two-form or three-form entry so as to ensure maximum use of equipment and facilities. The regrouping and expansion would, it was hoped, result in an output of at least 100 School Certificate graduates from 1969 onwards. To accomplish this it was proposed to expand facilities at four existing schools and to construct new schools at Gaberones and Serowe each with three-form entry. The first of these is already nearing completion. The remaining schools would be either closed down or transformed into primary schools.

85. Since then it has been realised that even this scheme as originally proposed would not produce a sufficient number of graduates, especially at the present rate of wastage. The objectives have therefore been expanded, and the time-table extended, the only main change in the general scheme, however, being an increase in intake and the temporary continuation of those schools which it had been intended to close down or transform into primary schools. The present objective is an output from the year 1974 of at least 150 School Certificate graduates annually. To accomplish this the revised expenditure programme for 1965-1968 envisages an expenditure of £1,564,881, of which approximately £432,000 would represent recurrent expenditure during the period, largely on salaries necessarily an important element since the majority of secondary teachers must for the time being be expatriates. In view of the vital importance of filling the enormous gap in the supply of trained personnel, the Mission

attaches the highest priority to carrying out what it regards as a minimum programme essential for Bechuanaland's political and economic progress. Its only observations on the proposed scheme are:

(a) that since there is already a small secondary school near Serowe, consideration should be given to the possible economies which might result from expanding this institution rather than establishing an additional school in the vicinity;

(b) that consideration should also be given to possibilities of obtaining teaching staff through bilateral voluntary programmes or by other means in order to reduce the cost of expatriate teachers;^{1/}

(c) that adequate provision must be made for the payment of bursaries to enable students to attend secondary schools. In 1963, the total sum allocated for bursaries at the primary and secondary levels was only £17,000. Since it is estimated that the average per capita income is between £18 and £21 per year, it is clear that the cost of secondary education, about £35 per year at boarding schools, must represent a serious obstacle for many students. The Mission notes that the expenditure programme for 1965-1968 proposes that a sum of £250,000 be allocated for bursaries at all levels, including tertiary training. While the Mission does not have sufficient information to assess the adequacy of the proposed sum,^{2/} it is evident that the provision of sufficient bursaries is of prime importance.

86. Despite the enormous needs of primary education, both the Development Plan and the revised expenditure programme give a lesser priority to the over-all development of primary schooling owing to the severe limitation of available finance. The target for the coming triennium is therefore restricted to the provision of 400 additional trained teachers and the construction of 1,000 additional

^{1/} The Mission notes that four Canadian volunteer teachers are already working in the Territory. Volunteers might also be obtained from other countries. Alternatively assistance might be sought from UNESCO.

^{2/} It was suggested by the Education Department that about 2,000 bursaries for secondary education were needed. This would amount to about £64,000.

classrooms, for which expenditure amounting to £883,000 has been proposed. This programme is of course designed solely to provide a partial remedy for existing deficiencies and takes no account of the increase in enrolments which will inevitably occur even before the programme has been carried out. Obviously there is an urgent need not only for additional classrooms but also for more teaching aids and equipment and a general up-grading of teaching standards and salaries if the level of primary education is not to deteriorate rapidly as more children come forward. On the other hand, without a guarantee of substantial external financial aid it is unlikely that an independent Bechuanaland could defray the additional recurrent expenditure which would be required. The only short-term solution therefore seems to be to concentrate on the development of selected schools in order to ensure a sufficient output at the end of the primary course and a sufficient intake into secondary education. This is a regrettable solution, but one which seems unavoidable. We believe, however, that a great deal might be achieved at relatively little cost, if a lead is given to local communities to undertake construction of school buildings as a form of local self-help. At the same time, every effort must be made to reduce the enormous economic loss which occurs as a result of early school drop-outs. It might well be desirable to introduce some form of continuation courses, at least in the main population centres in an attempt to prevent such children from reverting to illiteracy.

87. Our comment and suggestions for the extension of secondary education to G.C.E. 'A' level are identical with those which we have already made in respect of Swaziland (see Chapter II paragraph 73 above).

Improvement of teaching standards

88. The Mission is strongly of the opinion that improvement of teaching standards is second only in priority to the expansion of secondary education. Of the 1,364 primary teachers, 619 or approximately half, have no professional qualification and few have more than a third-class pass in the primary school certificate. The reason for this is, of course, that teaching attracts those who are not eligible for secondary education, which is the gateway to much higher rewards in government and business. The low level of salaries paid

to unqualified teachers is also one reason for a very high rate of wastage, mostly among unqualified teachers which is estimated to average about 150 primary teachers per year.

89. The output of trained teachers in Bechuanaland in 1964 was 39 and, on the basis of present facilities, may be expected to reach 100 by 1966. This is supplemented by teachers coming from outside the Territory, who number about 25 per cent of the total teaching strength. It is significant that while the proportion of unqualified teachers in the primary schools has declined steadily in recent years, their numbers have risen with the expansion of the teaching establishment.

90. It is clear that a substantial increase in the output of trained teachers is required not only to replace unqualified teachers but also to anticipate any possible departure of those whose homes are outside Bechuanaland. At present there are two teacher training colleges in the Territory, at Lobatsi and at Serowe, the latter opened only in 1963. Both are quite small, with a combined capacity of 300 students. Both colleges accept candidates for the Primary Lower Teachers Certificate but only the Lobatsi College offers a course leading to the Primary Higher Teachers Certificate, the entry qualification for which is possession of a junior certificate representing three years of secondary education. In fact, because of the more attractive alternatives open to junior certificate holders, either to continue their secondary education or to obtain immediate employment, the number of applicants for this course has been declining and only 19 were admitted in 1964. Of the 39 students who graduated during the year, 22 received the Primary Lower Certificate and 17 the Primary Higher Certificate. The Serowe College will not begin producing graduates until 1966 when the additional output is likely to be about 50-60 per year.

91. Quite obviously there is a need for an immediate expansion of teacher training. Under the expenditure programme for 1965-1968 it is proposed to establish two new training colleges, by constructing one at Gaberones and by converting a disused hostel at Francistown. This project will cost an estimated £412,000 and should result in producing an annual output of 200 qualified primary teachers by 1970.

92. If the proposal is implemented it would be possible to replace or train all existing unqualified teachers by 1973. During that space of time, however, it is almost inevitable that the student body will have increased with the result that more unqualified teachers will have been recruited. Furthermore it does not allow for wastage, or for the possibility that the supply of teachers from outside the Territory may diminish.

93. The Mission believes therefore that the proposals are insufficient. Although it is difficult to estimate with precision what will be the future rate of expansion in primary enrolments, it was suggested to the Mission that an output of 250 teachers per annum would be more realistic. This could be achieved by doubling the capacity of the Lobatsi College which at present is small. The Mission strongly supports this proposal, and hopes that the necessary funds can be made available. It would suggest that this long-term approach should, if possible, be supplemented by a "crash programme" for the in-service training of existing teachers along the line suggested in Chapter II, paragraph 77.

94. An increase in teacher-trainees must of course be accompanied by an increase in the number of bursaries available for needy students. In this regard, the Mission notes that one of the obstacles which frequently prevents unqualified teachers from entering the training colleges is lack of funds, especially where the teacher has to support a family. Since it is most desirable that unqualified teachers, some of whom may nevertheless have useful experience, should have the possibility of obtaining proper qualifications, we suggest that funds should be sought to permit the payment of special allowances in selected cases.

95. The elimination of unqualified teachers will not alone be sufficient to raise teaching standards, because many of those who have teaching qualifications possess only a minimal academic background. We believe that there will be a continuing need for refresher courses which should be conducted at the training colleges with particular reference to improving standards of English language, teaching methods and knowledge of current affairs. One of the objectives should be to establish a continuing link between the training college and the teacher.

96. At the secondary level, it is evident in view of the limited supply of candidates for tertiary education, that Bechuanaland will have to rely on expatriate teachers for a number of years. Our only comment relates to the specific need for more trained teachers of science and mathematics.

Expansion of technical training

97. In the absence of a detailed manpower survey it is not possible to determine the precise needs of the Territory in terms of specific technical skills, nor is it possible at the present time to forecast future needs, except in a very general manner. That there is an immediate and urgent need for technicians and artisans is undoubted; the majority of skilled posts are held by persons from outside the Territory and their withdrawal would create a critical situation. In view, however, of the small size of the internal labour force (15,800 according to the 1964 census) care must be taken to relate the output of skilled workers to demand. Hence, it is of great importance that there should be a manpower survey and that there should be continuing compilation of labour statistics. At present, it is estimated that there is an immediate need for about 100 technicians and 400 craftsmen but it is expected that this requirement will increase three to four times by the end of the current Development Plan.

98. The most urgent need for technical skills is in the public service. To meet this need the Government in 1964 instituted a four-year plan for the establishment of the Bechuanaland Training Centre at Gaberones. The Centre was initiated with a grant of £128,000 from Colonial Development and Welfare funds and incorporates two previously existing trades schools run respectively by the Education and Public Works Departments. When finally completed the Centre will perform four functions. A trades and technical school already in operation will train artisans and foremen in such skills as carpentry, bricklaying, maintenance repair work, electrical and mechanical engineering. The training will be at two levels, first a three-year course for junior certificate grades who will become higher-level technicians, and the second, shorter courses for artisans. Both types of courses will be combined with on-the-job training. Secondly, an administrative training school will provide commercial courses to train typists, clerks and junior executive staff. This

consists largely of in-service training courses for which 200 Civil Servants are already enrolled. Thirdly, the Centre will include an adult education school which will offer courses of general education for students at the Centre and some outsiders, with special emphasis on English language, mathematics, economics, science and home management. Finally, an occupational training headquarters will be set up to train school-leavers for some twenty-five craft skills both at Gaberones and at suitable centres to be set up elsewhere in the Territory.

99. At present, the Centre is about one-third developed, and it is estimated that to bring it to its full capacity will involve capital expenditure of about £347,000 and recurrent expenditure rising from £65,000 in 1966-1967 to a level of £100,000 by 1968. The work still to be done includes the construction of additional training and administration facilities, a library and an increase of hostel accommodation from the present capacity of seventy to about 300 students.

100. There can be no doubt that the Training Centre fills an essential need and that every effort must be made to complete its development. The scheme is sufficiently imaginative and flexible to furnish the Territory's requirements in skilled manpower at minimum cost. It need only be re-emphasized that an early manpower assessment is essential in order that it may become possible to measure with some accuracy what these requirements will be. This does not, however, affect the need to develop the Centre as rapidly as possible. Our one reservation is that there appears to be at present some confusion concerning the curricula for training technicians and artisans. While the lengthy theoretical training which is at present being given in the trades school is appropriate for the formation of supervisory technicians, we would suggest that courses for artisans, such as brick-layers, should be made as short and practical as possible.

101. Our second comment concerns the staffing of the Centre which is at present entirely inadequate and involves reliance on the part-time services of administrative personnel. So far, one teacher has been provided by the United Nations under the Expanded Programme of Technical Assistance. The provision of additional staff, from whatever source, is urgently required if the Centre is to expand as rapidly as we would hope.

Agricultural training

102. The Mission has already referred to the importance of efforts to stimulate cash crops and to achieve self-sufficiency in basic food-crops. The realization of these objectives depends primarily on the effectiveness of the agricultural extension service. The success of the Pupil Farmers' Scheme has shown that with improved techniques an African farmer can cultivate double or treble the average acreage and can more than double his gross returns per acre from mixed crops. The Director of Agriculture has estimated that in the lands area one demonstrator teaching 20 farmers, which is considered to be the maximum effectively handled under the Scheme, can in four to five years produce an added value of £5,400, or roughly ten times the return which the same farmers could produce by traditional methods.^{1/}

103. One of the keys to increased production is therefore the provision of an adequate extension service. The present establishment provides for 150 certificated agricultural demonstrators, but owing to difficulty of obtaining staff there are in fact less than 100, of whom nearly two-thirds are non-local Africans. Though the precise number of farmers is not known, this probably represents a ratio of one demonstrator to about 900 farmers, which means that the majority can receive no assistance whatsoever. Under the 1965-1968 draft expenditure programme, the highest priority in the agricultural field is given to raising the number of demonstrators to a target figure of 250, thereby reducing the demonstrator farmer ratio to approximately 1:400. This, in the Mission's opinion, is a minimal target. Furthermore, in view of the success of the Pupil Farmer Scheme, it may be presumed that many of the additional demonstrators will rightly be used for this purpose. Indeed, the Mission was told that extension of the Scheme was being hindered by lack of personnel.

104. At present agricultural demonstrators are trained at a small training centre located on the government experimental farm at Mahalapye. The Centre accepts students with a minimum of Standard VI primary education and gives them a course, recently reduced from three to two and one-half years, part of which is spent in the field gaining practical experience. The Centre was originally set up for 14 students,

^{1/} Assuming that with improved techniques the farmers can raise the acreage which they cultivate from the territorial average of fifteen acres to thirty acres.

but the enrolment was increased to 60 in 1964. Out of 20 original entrants only 12 graduated in 1965, showing a high level of wastage due to the fact that the general weakness of the educational system makes it necessary to accept students from primary schools instead of at the junior certificate level. The Centre is understaffed as there has been no addition to the teaching staff despite the increase in enrolments, but standards are nevertheless reported to be high.

105. Due to lack of suitable land it is not possible to expand the Mahalapye Centre to meet additional needs. It is therefore proposed to build a new and enlarged training school at Gaberones with a capacity of 120 students enrolled in a two-year course. The limitations on the new school are those imposed by the availability of students with a sufficient academic background to enable them to benefit from the course. The proposal envisages a capital expenditure of £150,600 and recurrent expenditure of £98,000 over the three-year period 1965-1968. At the same time, it is proposed to continue the Mahalapye centre with a target output of 18 graduates per year. This would result in a maximum annual supply of about 78 trained demonstrators. In view of the situation in primary and secondary education, it is doubtful whether this figure could be exceeded for some years without a lowering of qualifications for entry which would be highly undesirable.

106. In view of the urgent need for agricultural demonstrators, the Mission shares the opinion that this scheme deserves a high priority and should be implemented without delay. It may be added that one of the difficulties which will probably be encountered will be that of finding an adequate number of suitable teaching staff. Since high quality teaching is of utmost importance, especially where the students will probably have a weak academic background, we would stress the importance of obtaining experienced staff, if necessary on fixed-term contracts through international or bilateral technical assistance.

107. In stressing the need for agricultural training, the Mission cannot ignore the importance of extension work in animal husbandry. The Veterinary Service maintains a small veterinary training centre at Ramathlabama which is mainly for the in-service training and up-grading of selected cattle-guards. The academic background is, however, much lower than that required of agricultural demonstrators

and their training is designed to meet specific needs of the Veterinary Service. Extension work in animal husbandry has in fact been made the responsibility of the Agricultural Department on the grounds that, throughout most of the eastern part of the Territory at least, agriculture and livestock-raising are combined. Consequently training in animal husbandry is provided for agricultural demonstrators and in addition, the Agricultural Department is introducing a scheme, to be financed over a 3-year period by Oxfam, for the establishment of two mobile extension units consisting of 12 demonstrators under an agricultural officer to operate in the eastern part of the Territory. Clearly it will be necessary to maintain very close co-operation between the two departments.

108. In Chapter II, (paragraphs 86-88) the Mission expressed the view that agricultural extension services can be most effective if they are concentrated on certain groups or on certain projects. This has already been demonstrated by the success of the Pupil Farmers' Scheme. In the case of Bechuanaland, where distances are so great that only an enormous extension service could be expected to cover the whole country there is, in our opinion, a strong argument for the creation of rural farm institutes in each of the main farming regions. These institutes would offer short residential courses to farmers both in theory and more importantly by the use of demonstration farms. This would enable extension staff to be concentrated and would, we believe, enable a much greater number of farmers to benefit from instruction than are at present reached on the basis of 20 or so "pupil farmers" per demonstrator. The institutes should, of course, provide training in both agriculture and animal husbandry. As we have suggested elsewhere such centres may be less costly to operate than a dispersed extension service of the size required to obtain the same results and would offer possibilities of special financing by means of grants for the initial capital sums required.

109. Finally, it is necessary to mention that any increase in the number of agricultural demonstrators will necessitate a similar increase in the number of agricultural officers required to organize and co-ordinate their work. The proposal to increase the number of demonstrators from 100 to 250 will presumably require an addition of 8 to 10 agricultural officers, who for the present will have to be recruited outside the Territory.

Localization of the Civil Service

110. A difficult problem arises from the Territory's heavy dependence on expatriate officers to man key posts in the public service. Owing to the late and as yet inadequate development of secondary education, the Territory has only a very small number of persons qualified to fill posts in the administration. Moreover, with only 27 students passing School Certificate in 1964 and only 83 enrolled in the last two years of the secondary course, it is difficult to conceive of any short-term solution. Indeed, for posts requiring post-secondary training, dependence on expatriates will necessarily continue for a long time. At present, there are only 48 students undergoing tertiary training outside the Territory who will graduate by 1970. Of these, 13 are undergoing teacher training, 4 are studying medicine, 3 accountancy, 4 law and 13 are taking a general degree. Their effect on the localization of the Public Service will not be very great. Even at the lower technical and clerical levels, the Territory has to rely in part on staff from outside.

111. On 1 October 1964, the total establishment of the Public Service, including 400 vacant posts, was 2,575. Of these, 683 were expatriate or extra-territorial personnel and 1,492 were local officers. In the clerical section, there were 124 non-local and 788 local staff; 206 posts were vacant, because even at this level, which is normally recruited from persons with junior certificate qualifications, the supply was insufficient partly because of the inadequate output of junior certificate teachers and partly because salaries are too low to compete with other job opportunities. The position in the senior and medium ranks of the Public Service on 1 October 1964 is shown in the following table:

<u>Grade</u>	<u>Establishment</u>	<u>Local Officers</u>	<u>Expatriate Officers</u>	<u>Vacancies</u>
Super-scale	33	1	31	1
Professional and Administrative	149	20	100	29
Technical and Executive	535	114	307	114
<u>Police:</u>				
Gazetted ranks	28	-	26	2
Inspectorate	57	10	38	9
	802	145	502	155

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112. The Government is endeavouring to increase the rate of localization on the basis of recommendations put forward by a localization committee and approved by the Legislative Council in November 1964 and in the light of a review of the organization of the Public Service which set out minimum qualifications for initial entry into the various classes of posts. In-service training is being carried out at all levels, but especially for technical and executive posts, over 200 junior staff are attending evening classes and some 34 are taking correspondence courses with funds advanced by the Government. For training at the junior and intermediate levels particular importance is attached to the development at the Bechuanaland Training Centre of remedial and extension courses with the assistance of the Extension Department of the University of Basutoland, Bechuanaland and Swaziland. The objective, in effect, is that the Centre should become a college of further education below the university level serving the special needs of Bechuanaland. We suggest that this is a practical proposal and one which offers the University an opportunity to render a valuable service. We do not think, however, that the Centre should engage in high secondary education to G.C.E. 'A' level, other than by providing specialized courses where necessary to meet local needs, since we believe that in the medium term, it would be more economical to concentrate all education at this level for all three Territories at an 'A' level institute run in conjunction with the University.

113. With so few local officers qualified to fill senior posts in the Public Service, it is essential that Bechuanaland be able to continue to avail itself of the services of outside personnel until such time as local officers can be trained to replace them. Everything possible must be done to accelerate the pace of localization. At the same time, conditions must be created which will not only ensure the retention of existing professional or technical staff from outside the Territory in posts for which qualified local staff are not available, but also be favourable to the recruitment of additional outside specialists whose services will undoubtedly be required for development purposes. Any plans for localization of public service should therefore be carefully phased, having regard to these needs.

114. In view of the present very limited supply of local persons with secondary or higher training, it is clear that extraordinary measures are called for if the

pace of localization is to be accelerated. Above all, everything possible must be done, as a matter of urgency, to increase the output of the secondary schools and the number of persons undergoing higher training. Since this will, however, provide only a long-term solution, the Mission believes that, pending an increased output of persons with higher training, a more dynamic and experimental approach should be made to possibilities of modifying the qualifications required for specific posts, particularly those administrative or supervisory posts where it may well be that personal qualities and experience of responsibility are no less important than academic attainment.

Development of Water Resources

115. In any study of the economic needs of Bechuanaland, the provision of adequate water supplies must feature prominently, whether it be for human consumption, stock raising or agriculture. Although much of the country is arid, there are a number of major rivers e.g. the Okavango river complex, the Chobe river to the north, the Limpopo in the east. In the eastern region, there are many sand rivers which drain into the Limpopo, carrying away vast quantities of water after the summer rains.

116. In the past, attention has been mainly focused on the possible uses of the waters of the Okavango Swamps. This led to the formulation of an application to the United Nations Special Fund for a pre-investment survey to ascertain the feasibility of piping water from the Okavango to the eastern region, as part of an over-all plan for the development of Bechuanaland's water resources. The Mission was informed that the proposed survey was not undertaken because the Bechuanaland Government was not in a position to furnish the necessary counterpart funds for a survey of this magnitude.

117. More recently the Government has turned its attention to the possible use of Okavango waters for development in Ngamiland and other areas adjacent to the Okavango complex. Previously these areas had been considered too inaccessible to warrant any substantial expenditure on economic development. Although the factors inhibiting economic advance still remain (bad communications, tsetse fly, etc.), the position is improving. The road from Francistown to Maun is to be reconstructed. The spread of tsetse fly is being contained, and

experiments on crop production, such as jute and cotton, are encouraging. A land use survey carried out in 1963 estimated that 150,000 acres of land were potentially irrigable in the Okavango region, along the Botletle River and around Lake Dow. In the absence of hydrological data the development of these areas for irrigated crop production cannot proceed. The Bechuanaland Government, therefore requested the Food and Agriculture Organization for assistance in preparing an application to the United Nations Special Fund for a survey on a more limited scale designed to investigate the irrigation potential of the Okavango region. The Mission understands that no progress has been made on this request.

118. The Mission feels that further investigations of the possible uses of the waters of the Okavango complex might be undertaken if and when the necessary funds and technical assistance become available. Expenditure on long-range development of this type should not, however, be given priority over more urgent projects.

119. The Mission believes that the best prospects of accelerated economic development based on irrigated crop production are in the eastern region where the majority of the population is located. A study of the land resources has been completed and preliminary investigations have been made into the potential of various river systems. Gauging weirs have been established and small-scale plans of catchment areas have been prepared. Further investigation is required to determine the availability of water for selected irrigation areas, where suitable soils exist. For this purpose a hydrologist and an irrigation engineer are needed, and the services of the soil surveyor must be extended. Additional gauging stations must also be installed to obtain rainfall run-off and river flow data.

120. Preliminary investigations suggest that the areas with suitable soils are scattered, and that the number of good sites for storage reservoirs are limited. Development may well be on the basis of small low-cost dams for supplementary water schemes utilizing flash-floods for short periods of the year.

121. So far as potable water supply schemes are concerned, two main projects have been implemented - the Gaberones Dam, which supplies the requirements of the new capital, and the Nuane Dam which supplies Lobatsi. Similar schemes have been prepared for a number of the main centres of population - Serowe, Kanye,

Mahalapye, Palapye, Molepolole. A priority scheme is that for the Shashi River, which would supply the needs of the Rhodesian Selection Trust's project for industrial production of soda-ash (see paragraph 126), and also the domestic needs of Francistown. Soil surveys already carried out suggest that some 2,000 acres of irrigable soils are available in the Shashi River area. Further detailed study is being undertaken to determine the optimum use of the Shashi River and the best site for construction of the dam.

122. The Limpopo and Shashi Rivers form the boundaries between Bechuanaland, South Africa and Southern Rhodesia respectively. There is need to conclude international agreements on the use of the waters of these rivers. Water from the Limpopo, for example, is already used for irrigation purposes on both sides of the river. These extractions are not legally controlled by either country. Farmers in the Tuli Block have built weirs across the river to the Transvaal bank and South Africa is known to have plans for reservoirs on the head waters of the Limpopo. Hydrological studies are required on both sides of the boundaries to obtain a complete assessment of water resources, which will form the basis for any legal apportionment of their use. In addition, there is a need for water laws in Bechuanaland to ensure that Government can control the use of water and to provide a legal framework in which water rights can be granted. The Mission understands that these matters are in hand and that a British expert on international water agreements, and on water laws will be made available to Bechuanaland.

123. Underground water is available widely over Bechuanaland. Normally about ninety new boreholes are developed each year, although additional boreholes have been drilled as emergency measures to alleviate the drought conditions which have persisted over the past four years. The borehole programme covers the development of boreholes in new areas (such as the western parts of Tribal Territories in the eastern region) and expansion of the number of water points in developed areas. The main problem is whether in certain areas fossil water is being drawn off which is not being replaced. There is therefore a need to investigate recharge sources and underground water reserves.

124. Responsibility for underground water supplies rests with the Geological Department, which has already gathered substantial information on the subject.

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Further work should be carried out by the Geological Department on research into geophysical methods and techniques for delimiting and exploiting ground water. This will involve the strengthening of the department with qualified staff.

Other Sectors

Mineral development

125. A considerable amount of knowledge has been accumulated on the mineral resources of Bechuanaland and there has long been sporadic working of various minerals. Asbestos mining in Moshaneng has now stopped; the output was about 2,000 tons per annum but the mine was uneconomic to work. The manganese mine has reduced its operations due to the poor market price; gold and silver mines have closed down. There are two areas of coal deposits in the Eastern region; but the quality of the coal is not high enough to exploit for use on the railway and there is insufficient internal demand to justify production. Iron ore deposits are too limited for any viable exploitation, and most of the other deposits such as clays and gypsum are too far from communications to be commercially viable.

126. Investigation carried out by the Rhodesian Selection Trust Company, through its subsidiary Bamangwato Concessions Limited, has led to the discovery of copper in the tribal area which warrants further investigation. What is perhaps more important is the economic potential of sodium-carbonate brines in the Makarikari region which has recently been examined. Exploitation of these deposits for the production of soda-ash will involve the pumping of brines for 100 miles to a chemical refinery at Shashi whence the product would be exported by rail. The development of these resources is, of course, dependent on the mining company's assessment of the market conditions in relation to production costs. While this has yet to be determined, it seems likely that soda-ash production will be developed in the Bamangwato area.

127. Mineral resources are owned by the tribal authorities in the areas under their jurisdiction and mineral taxes are collected by the appropriate tribal authority. There are the anomalies of private mineral rights ownership, as in the area of the Tati Concession, where the Geological Survey Department have no powers beyond the statutory function of mine inspection. The whole system of mineral

rights is complicated and requires review, since at present it restricts prospecting and the direct involvement of Government in exploitation. Mineral royalties should in our view be collected centrally as Government revenue.

128. The Geological Department has done excellent work on mineral surveys and geological mapping. There is a need to provide additional funds for the publication of geological maps.

Industrial development

129. Apart from the Lobatsi abattoir and canning factory, there is very little industry of any kind in Bechuanaland. There is a maize mill at Lobatsi which mills both local grain and grain imported from the Republic of South Africa; and there is a small tannery at Shashi. A bone-meal factory at Francistown produces an average annual output of 1,300 tons. An industrial area has been laid out at Gaberones, but at present there are few signs of any interest by potential developers.

130. Bechuanaland has few natural advantages for the development of industry. Raw materials are limited, and although power is available and the railway provides a line of communication in the eastern region, the local market is small. On the other hand, Bechuanaland provides the possibility of markets to the north which are not accessible to manufacturers in the Republic of South Africa. There seem to be three possible types of industry which might be developed in the territory:

(1) Finishing industry. There is a potential market for finished goods in the areas to the north of Bechuanaland.

(2) Industry based on raw materials. In addition to the possible development of the soda-ash factory, there are possibilities of industry based on hides and skins (leather and shoes).

(3) Small consumer industries.

131. The draft expenditure programme for 1965/1968 includes a proposal that £500,000 should be allocated to the National Development Bank to provide credit facilities for the construction of commercial and industrial undertakings particularly at Gaberones. There is a general shortage of capital in the commercial banking system, due to boom conditions in South Africa and it is felt that credit availability would help to attract potential developers. In the new

capital, commercial enterprise has been slow to take advantage of the opportunities offered; consumer spending is consequently still directed towards the Republic of South Africa. We do not feel that an allocation of public funds to the Bank for industrial or commercial credit is justified, unless it can be shown beyond doubt that undertakings essential to the capital at Gaberones will not be provided by private enterprise without some form of financial assistance from Government. This does not preclude loans to encourage small-scale industries based on local enterprise for which funds exist in the National Development Bank.

132. The role which industrialization might play in the development of Bechuanaland has yet to be determined in relation to over-all economic planning. At this stage it is not possible to say what direct encouragement should be given by Government in the form of taxation relief, investment allowances, etc. or what further investment in the public sector is required to attract industry. Equally, it seems to us premature to give serious consideration to the establishment of a National Development Corporation (as distinct from the National Development Bank) to initiate new industrial enterprises which a private entrepreneur is not prepared to undertake on a full-risk basis. This whole field seems to us to be one which would warrant much closer study and advice, and we are aware that the Government takes the same view. An examination of the potential for both small-scale and secondary industries of the type mentioned above would be well worth while.

Medical and health services

133. In 1964-1965, Government expenditure on medical and health services amounted to £273,750 for recurrent items and £194,500 for development. These figures represent 6.5 per cent of the budget and about 2.5 per cent of the Territory's expenditure on development, most of the latter being spent on the first phase of construction of the new hospital at Gaberones. The reasons for the small proportion of funds allocated for medical and health purposes are primarily the low priority accorded to these services in a territory which is heavily grant-aided and the fact that religious missions contribute about 40 per cent of available facilities.

134. For the enormous area of Bechuanaland, the existing facilities are less than adequate. Apart from the new Gaberones hospital which is not yet completed there are only seven hospitals (with 821 beds and 246 cots) which are equipped to perform operations. These are all old buildings in need of expansion and new equipment. There are also four small hospitals or health centres (with an average of forty-fifty beds) which have resident medical officers but are not equipped with operating facilities. In addition to these there are twenty-four small centres or dispensaries possessing a resident dispenser or nurse, a small maternity hospital with sixteen beds and sixty village dispensaries which are visited periodically by medical personnel. The total of beds available for in-patients in the Territory in 1963 was 1,197. Discounting the eighty-seven beds for mental patients in the Lobatsi mental home and the sixteen beds in the maternity hospital, this amounts to a proportion of one bed per 450 inhabitants.

135. The most important needs are for more hospital facilities, including additional beds and an up-grading of existing plant and equipment, and an increase in the number of rural dispensaries, bearing in mind the vast size of the Territory and the poor communications. So far there have been no facilities in Bechuanaland for performance of major surgical operations, the practice being to send such cases to Bulawayo, in Southern Rhodesia, for treatment. Even were it desirable to continue this practice indefinitely, radical increases in costs have made it impractical. The new hospital under construction at Gaberones is designed to handle most of the major surgical requirements of the Territory and will therefore fill an important need. Nearly all the C.D. and W. funds allocated to this project have, however, been absorbed by the initial construction costs, and, if the hospital is to be developed to its planned capacity of about 200 beds, an additional sum of £160,000 will have to be found for capital expenditure (plus £137,000 for recurrent costs during the period 1965-1968). It is clearly desirable that the Territory should possess a fully-equipped central hospital, but this will not obviate the need for increased medical facilities elsewhere in this vast Territory. The Medical Department has estimated that the sum required to fulfil its development needs in terms of capital expenditure during the period 1965-1968 is £437,820. Although the need cannot be contested, it must be pointed out that expansion of medical facilities inevitably involves a comparable increase

in recurrent costs, both for additional staff and to cover the cost of treatments which, in most cases, must of necessity be free. The Mission finds it difficult to express an opinion on the priority which should be given to medical services in contrast with the requirements of other sectors, since it involves a subjective determination of relative values. It can only state the needs.

136. Apart from the insufficiency of medical facilities, there is a serious lack of trained physicians. There are no qualified doctors among the local people and of the twenty established posts for medical officers in government service, only fourteen are at present filled (two less than in 1963), apparently because the salaries offered are lower than in neighbouring territories. If the number of mission and private doctors (one) is added, the ratio of physicians to population is about 1:20,000. At present, there are no specialists, although it is assumed that the staff of the new Gaberones hospital will include a surgeon. There is apparently no shortage of nursing staff, for whom training is provided in the Territory. The main problem is to find candidates with the necessary educational standard.

137. On the side of preventive medicine, the Government staff at present consists of two Medical Officers of Health, four qualified Health Inspectors and seven Sanitary Inspectors (locally trained), supported by various junior staff. The major health problems are tuberculosis, trypanosomiasis and malaria. There is also need for constant preventive measures against possible outbreaks of plague and smallpox. The incidence of tuberculosis is high, the number of persons suffering from this disease seen at out-patient departments in 1963 totalling 3,040, of whom 2,102 were suffering from pulmonary tuberculosis; 1,182 tuberculosis patients suffering from all types of the disease were admitted to hospitals during the year. The Medical Department operates a limited BCG vaccination programme financed by a small grant (£5,000 in 1963) from the Deferred Pay Interest Fund of one of the recruiting organizations for the South African mines, but the staff of the health service is insufficient to trace the contacts of tuberculosis sufferers. Similarly, although smallpox is an ever-present potential menace, the funds available for public health (£14,000 in 1964, including the grant from the Native Recruiting Corporation) are insufficient for the purchase of vaccines in the required quantities. In 1963, over 48,000 persons were vaccinated against smallpox.

138. The efficacy of a preventive programme is, of course, largely a function of the educational level of the mass of the people, and the Administration is probably right in its conclusion that the improvement of the general level of education is a prerequisite to any mass effort to raise standards of hygiene. There seem to be grounds, however, for suggesting some increase in the at present negligible funds available for epidemic disease prevention and for at least doubling the existing number of four Health Inspectors.

Transport and communications

139. There are almost 5,000 miles of government-maintained road in Bechuanaland classified as follows:

Trunk roads	1,595 miles
Main roads	927 "
Tracks	2,363 "

140. An I.D.A. loan of \$US4.6 million has been secured for the development of roads in the Territory. It is proposed to construct an all-weather road link between Francistown in the north and Maun 300 miles to the west. The loan will assist in the construction or reconstruction of three roads totalling 355 miles in length, the improvement of the 418-mile north/south road which is the backbone of the road system, and the improvement of road maintenance standards.

141. No other immediate expenditure on roads is envisaged though it should be noted that the Ministry of Works and Communications have requested the services of a transport economist to carry out a detailed study of the needs of Bechuanaland over the next decade having regard to:

- (i) the strict limitation of funds available for recurrent road maintenance expenditure;
- (ii) the geographical situation of Bechuanaland and its complete reliance on "good neighbour" relations for its outlets to the sea;
- (iii) the control and operation of the railway upon which the cattle industry is wholly dependent; (this railway is operated by the Rhodesian Railways)
- (iv) the relatively low capital cost required for the development and maintenance of airfields; and
- (v) the relative merits of an air-freight system of transportation between Maun, Ghanzi, Lobatsi and Gaberones against the alternative costly development and maintenance of much improved road communications for trucking cattle.

The Mission feels that the provision of a transport economist at this stage would be invaluable.

CHAPTER IV

BASUTOLAND

A. GENERAL

Geography and Population

1. Basutoland covers an area of about 11,700 miles and is an enclave in the Republic of South Africa.
2. The present population is estimated at 830,000 of whom, according to calculations by the Basutoland Government, some 160,000 are normally absent working in the Republic of South Africa. It is estimated that the population growth rate is in the region of 1.7 per cent per annum.

Constitution

3. On 30 April 1965, a new Constitution came into operation. Under this Constitution, the Paramount Chief, under his national title of Motlotlehi, replaced the Resident Commissioner as Her Majesty's Representative. The office of Resident Commissioner was abolished and the holder of the post became British Government Representative in which capacity he retains responsibility for Defence, External Affairs and Internal Security.
4. Apart from the subjects reserved to the British Government Representative, Basutoland now enjoys self-government. There is a bicameral Parliament. The elected House is the National Assembly consisting of sixty members elected in sixty single member constituencies by universal adult suffrage. The other chamber is the Senate which consists of twenty-two Principal Chiefs and Ward Chiefs and eleven other persons nominated by the Paramount Chief. The Senate has the power to delay the passage of legislation but cannot block it.
5. The Cabinet is collectively responsible to the two Houses of Parliament. Under the Constitution, Motlotlehi must appoint as Prime Minister the Leader of the Party which enjoys the support of the majority of the National Assembly. He appoints other Ministers on the advice of the Prime Minister. The Prime Minister

must be a member of the National Assembly. The other Ministers may be members of either House. A Minister may sit and speak but may not vote in the House of which he is not a member.

6. The results of the first election under the new Constitution held at the end of April 1965 were:

	<u>Number of seats won</u>
Basutoland National Party	31
Basutoland Congress Party	25
Narema Tlou Freedom Party	<u>4</u>
	<u>60</u>

7. The new Constitution resulted from a conference held in London in May 1964. At that conference, the Basutoland representatives were informed that if the people of Basutoland, not less than one year after the first elections under the new Constitution, asked for full independence by resolution of both Houses of Parliament, or by referendum if the two Houses differed, the British Government would seek to give effect to their wishes as soon as possible.

The Economy

8. The principal resources of Basutoland are its people, agricultural land and water. The main sources of cash income are the earnings of Basotho workers in the Republic of South Africa; exports of livestock products, especially wool and mohair; and Government expenditure. There is virtually no investment in the private sector and the rate of growth of the economy is negligible.

9. The actual number of Basotho living or employed in the Republic of South Africa is not known. As stated above, the Government of Basutoland estimates it at 160,000. South African estimates, however, indicate that the figure may be in the region of 200,000 to 280,000, but this has not been confirmed. Reliable statistics are available regarding those workers employed in the mines. In 1964 about 70,000 Basotho workers were recruited for work in the gold and coal mines. Remittances sent home by these workers to their dependants, amounted to £460,000 and voluntary deferred payments which were brought into the country by returning miners amounted to £465,000. Thus, last year, a comparatively small fraction of "migrant" labour either sent back or brought with them on return, almost £1 million in cash.