

## THE COLD STORAGE COMMISSION: A COLONIAL PARASTATAL 1938-1963

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### Abstract

*This article traces the history of the Cold Storage Commission (CSC) from its formation in 1938 to the end of the Central African Federation in 1963 and analyses its performance in this period. It contends that the CSC succeeded in carrying out the tasks assigned to it when it was established, namely, to develop the country's beef industry in general and to promote the sectional economic interests of White beef producers in particular. It further argues that, the condemnation of parastatals by the IMF and World Bank as ineffective and inefficient notwithstanding, the performance of the CSC in the period under examination does show that, if well managed, parastatals can play a crucial role in enabling the state to direct development in select sectors of the economy in order to produce certain desired political and economic goals commensurate with its own development strategy. The colonial state's effective use of the CSC to promote the interests of the White farmers demonstrates that parastatals can be effectively used as instruments for political and economic empowerment.*

### INTRODUCTION

IN 1994, the Zimbabwe government began commercialising a number of its public enterprises (parastatals) in line with the demands of the World Bank and the International Monetary Fund, which made the dismantling of parastatals one of the conditions for their financial support for Zimbabwe's economic structural adjustment reform programme introduced in 1990/91. Under the tutelage of the two multi-lateral agencies, government officials who had always sworn by parastatals as indispensable and appropriate vehicles for economic development, changed their tune and started denouncing them as corrupt, inefficient and ineffective. Commercialisation, privatisation and free market forces became the new buzz-words in national discussions of economic development strategies.

The new economic wisdom of the 1990s was at variance with previous ideas and practices within Zimbabwe, for while parastatals had now become anathema in official government circles, they had earlier been accorded a special place in national economic planning by both the colonial and independent governments of the country. Indeed, successive governments since the 1930s had consistently and vigorously promoted parastatals as

desirable, necessary and effective instruments for the promotion of economic development particularly in those areas of the economy in which private enterprise was either unable or unwilling to invest or where the provision of socially and/or politically desirable services could not be safely entrusted to private enterprise.

In colonial Zimbabwe, parastatals were specifically used to promote the settler economy. As I. Mandaza noted:

In Southern Rhodesia, the creation of such agricultural parastatals — e.g. the Agricultural Marketing Authority, the Grain Marketing Board . . . and the Cotton Marketing Board — made possible the establishment of a white agrarian bourgeoisie that will for long remain an envy of its counterparts all over the world.<sup>1</sup>

Because parastatals were meant to promote particular national or sectional interests, they were not required to make profits but merely to provide a public service in order to 'facilitate and earn profits for other sectors of the economy'.<sup>2</sup>

Among the earliest parastatals to be established in the country was the Cold Storage Commission which was set up in 1938 to promote the country's beef industry. The Commission, like several other public enterprises created in the colonial period,<sup>3</sup> was eventually inherited by the independent government in 1980 and continued to operate throughout the first decade of independence. By then, the Commission had grown from its very modest beginnings to become an impressively large and diversified multi-million dollar enterprise. By 1987, the Commission had a permanent staff complement of not less than 4 700 people employed in its livestock section, its various factories and in the administration and drawing salaries and wages amounting to \$32 million in that year.<sup>4</sup>

This article traces the historical origins of the Commission, analyses the economic and political factors behind its establishment and evaluates its policies and their impact on the country's beef industry. Such a study is appropriate and important, not only because of the central role that the Commission played in the country's beef industry, but also for what it might contribute to the ongoing debate on the role of parastatals in economic development.

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<sup>1</sup> I. Mandaza, 'Politics and economics of privatisation', in *The Sunday Mail* (Feb. 11, 1996), 9.

<sup>2</sup> *Ibid.*

<sup>3</sup> Other agricultural parastatals set up at this time were the Dairy Marketing Board, the Grain Marketing Board and the Cotton Marketing Board. Several other parastatals operating in non-agricultural areas were also created, one of which was the Electricity Supply Commission (ESC).

<sup>4</sup> Zimbabwe, *Report of the Committee of Enquiry into Parastatals* (Justice G. Smith — Chairman, Dec. 1988), 22.

Using archival and other sources, this article examines the history of the Commission during its first 25 years of operation from 1938 to the break up of the Federation of Rhodesia and Nyasaland in 1963.<sup>5</sup> It argues that the government's decision to set up the Commission in 1937 was based on logical economic and political grounds given the prevailing circumstances at the time when, as I. Phimister and other scholars have shown,<sup>6</sup> the colonial government was determined to do everything in its power to promote the interests of the White economy in general and the settler agricultural sector in particular. It is further contended that, at least in the period covered by the study, the Commission successfully met the objectives set for it, namely to promote the interests of the White cattle farmers in particular and to develop the country's beef industry in general.

#### BACKGROUND: ECONOMIC AND POLITICAL FACTORS

The decision by the Rhodesian government to establish the Commission and other agriculturally-related parastatals was influenced by a number of considerations. Among these was the need to support the country's agricultural producers who were suffering from the ravages of the Great Depression. In addition, certain areas of the economy were likely to remain undeveloped without the help of government resources, either because of lack of sufficient local private capital or because local investors were, for a variety of reasons, unwilling to invest in them.<sup>7</sup>

Government was also anxious to maintain control of those areas it considered of strategic importance to the national welfare in order to produce certain political and economic outcomes commensurate with its own developmental objectives. As the Minister of Agriculture emphasised with respect to the country's beef export industry in 1937,

I have arrived at the conclusion that the export of our chilled and frozen meat is an essential service of the state exactly as the postal and telegraph service or electrical supply, and that it is the duty of the government to develop it in the interests of the colony as a whole.<sup>8</sup>

<sup>5</sup> The Federation of Rhodesia and Nyasaland was set up in 1953. The Federation, which comprised Southern Rhodesia, Northern Rhodesia and Nyasaland, broke up in 1963 for a variety of economic and political reasons. This study ends in 1963 mainly because archival sources at the National Archives of Zimbabwe are closed to researchers after that date.

<sup>6</sup> I. Phimister, *An Economic and Social History of Zimbabwe 1890-1948: Capital Accumulation and Class Struggle* (London, Longman, 1988); I. Phimister, 'Meat monopolies: Beef cattle in Southern Rhodesia, 1890-1938' in *Journal of African History* (1978), XIX, 391-414; R. Palmer, *Land and Racial Domination in Rhodesia* (London, Heinemann, 1977).

<sup>7</sup> NAZ/S482/134/17/48, Government Policy Towards Assisting the Development of Industries in Southern Rhodesia.

<sup>8</sup> NAZ/S2704/3/1, CSC, Expropriation of the Rhodesian Export and Cold Storage Company, 1937-1951.

With regard to the beef industry in particular, the government was determined to promote the interests of its constituency: the small-scale settler cattle farmers who were hurting from poor cattle prices during the Great Depression and many of whom were reportedly deserting cattle farming.<sup>9</sup> What was needed, it was argued, was a public utility company that would stabilise cattle prices, provide a guaranteed market for cattle, develop both the domestic and export beef markets and generally promote the beef industry in the country. To appreciate why such a utility company was considered necessary at that particular time, it is necessary briefly to trace the history of the Rhodesian beef industry to that point.

The Rhodesian beef industry witnessed a boom in the period immediately following World War I, when rising demand for beef in South Africa led to a rise in local cattle prices. The boom proved very short-lived, however, for by 1921, cattle prices had fallen so drastically that many ranchers left the industry and either moved into other agricultural activities or abandoned their land altogether. The post-war depression in the Rhodesian cattle industry, which the Director of Agriculture described as 'critical', resulted partly from unfavourable global economic conditions producing a slowdown in international trade, and partly from the primitive nature of the Zimbabwean cattle industry, which made it difficult for the country to compete effectively in the dwindling international market.<sup>10</sup>

The local market proved to be too small to absorb all the beef products produced within the country. The Rhodesian cattle industry went into decline, while local producers and their government blamed 'surplus production' for the industry's woes. This situation was of great concern to the government of the day. Even more problematic was the fact that the country did not seem capable of reviving either the cattle industry in general or the beef-export industry in particular by itself, since there was present in the country neither the necessary capital nor the skills to revamp the industry. In the words of the Director of Agriculture,

both the government and local private resources are powerless by themselves to establish a meat freezing and packing industry or by any direct means to provide the necessary facilities for exporting meat. Hence the only course is to induce those who are able and have the capital and skill to come into the country and take up this work.<sup>11</sup>

<sup>9</sup> For a discussion of the political importance of the small-scale settler cattle farmers to the government of the day, see I. Phimister, 'Meat and monopolies', 412-413.

<sup>10</sup> Southern Rhodesia (S. R.), *Report of a Commission of Inquiry into the Cold Storage Commission of Southern Rhodesia* (M. Danziger, Chairman — Salisbury, Rhodesian Printing and Publishing Company, 1952 — hereafter *Danziger Report*); CSC, *7th Annual Report and Accounts* (1954); and S. Pilborough, 'The Cold Storage Commission' (Department of Land Management, University of Zimbabwe, Unpubl., 1983).

<sup>11</sup> NAZ/S1193/M5, Director of Agriculture to Treasurer, 20 Dec. 1921. Cited in I. Phimister, 'Meat and monopolies', 407.

In a bid to find solutions to the crisis faced by the cattle industry, the government set up a Committee of Enquiry to suggest appropriate measures to enable the industry to get back on its feet. The Committee reported in 1923 and recommended among other things that the country should establish a meat works as a matter of urgency, that facilities to enable the country to export frozen and chilled beef overseas be developed and that the government should consider the possibility of granting exclusive rights to a firm with the competence to process and export chilled and frozen beef. It was hoped that these measures would reduce the cattle surplus in the country while providing the country with opportunities to profit from meat exports.<sup>12</sup>

Acting on this advice, the government entered into negotiations with the South African-based Imperial Cold Storage and Supply Company Ltd, which was interested in setting up a meat works in the colony. This company agreed to form a subsidiary company within the colony to develop the proposed chilled and frozen beef industry on the basis of an Agreement which later became Act No. 34 of 1924. The Agreement provided that the company would have a monopoly to export chilled and frozen meat for a period of ten years from the date of the erection of the proposed meat works and also guaranteed it up to £15 000 per annum against losses resulting from its operations. It also provided that,

The government, at any time after this agreement has been in force for a period of seven (7) years, may, six months subsequent to written notice given to the Company to that effect, expropriate the Company's undertaking in Southern Rhodesia as a going concern at a price to be mutually agreed upon between the parties hereto, and failing such agreement at a price to be fixed by arbitration.<sup>13</sup>

The government would not grant any preferential rights to any other company or person for as long as the Company continued to operate. On these terms, Imperial Cold Storage created a subsidiary company called the Rhodesian Export and Cold Storage Company Ltd (hereafter called RECSCO) in 1927. RECSCO began operating in May 1928.<sup>14</sup>

RECSCO's performance in the ten years of its operation in Rhodesia proved unsatisfactory to the Rhodesian government and cattle farmers. The farmers alleged that the Company was paying very low prices for their cattle, while, according to the Minister of Agriculture in 1937, the Government was

dissatisfied with the arrangement [with RECSCO] because, in spite of large sums of money voted by Parliament, there were no signs of

<sup>12</sup> *Danziger Report*.

<sup>13</sup> *Ibid.*, Extract from Act No. 34 of 1924, contained in NAZ/S2704/3/1, CSC, Expropriation of the Rhodesian Export and Cold Storage Company, 1937-1951.

<sup>14</sup> NAZ/S2704/3/1, Memo from the Minister of Agriculture and Lands.

improvement in the industry and there were indications that the subsidy voted was finding its way into the Company's pocket and not the producers as intended.<sup>15</sup>

Apart from the alleged dishonest practices by the Company's management hinted at in this statement, the Rhodesian government was not impressed by the Company's export performance. A variety of factors conspired to frustrate the Company's efforts to export large amounts of chilled and frozen meat throughout the 1930s. Among these were the unfavourable international economic climate due to the depression of the 1930s and the fact that a small and new country like Rhodesia had to compete in the international market with long-established, sophisticated and highly developed cattle complexes such as that of Argentina.<sup>16</sup>

According to Phimister, however, the divorce between RECSCO and the Colonial government was unavoidable because the marriage between private enterprise and the settler government was based on potentially conflicting interests that could not be reconciled. Imperial Cold Storage was particularly interested in making profits through cost-cutting measures and purchasing cattle at the lowest prices possible. The government, on the other hand, was committed to developing the cattle industry by reducing the cattle surpluses within the country in order to raise cattle prices and thus promote the interests of its constituents; the small-scale settler cattle farmers.

Phimister's analysis is corroborated by the Secretary for Agriculture in his report of 1938, which announced that government had decided to expropriate RECSCO meat works because it was feared that

while the works remained in the hands of private enterprise, there could be no security for the industry and no assurance that at any time convenient to the Company, prices for chiller and freezer cattle might not be reduced to so low a level as to be quite uneconomic to European cattle producers.<sup>17</sup>

### GOVERNMENT TAKEOVER

By the late 1930s, the government had decided to expropriate RECSCO and either throw the industry 'open to other interests' or set up a public utility company to run the industry. The first option was rejected on the grounds that RECSCO would continue to enjoy greater advantages than

<sup>15</sup> NAZ/S2704/1/1340/2, Cold Storage Commission, General, 1948-1950, Minister of Agriculture to Cabinet.

<sup>16</sup> For assessments of the poor performance of RECSCO see I. Phimister, 'Meat and monopolies' and C. V. Kwashirayi, 'The Operations of the Imperial Cold Storage and Supply Company in Southern Rhodesia 1924-1938' (B.A. (Hons) dissertation, University of Zimbabwe, 1990).

<sup>17</sup> S. R. *Report of the Secretary, Department of Agriculture and Lands for the Year 1938* (Salisbury, Govt. Printers, Presented to the Legislative Assembly in 1939).

any other company entering the business since it would remain 'in possession of the Works' and would, therefore, continue to 'control the future of the industry'. In any case, the 1924 Agreement had stated that if Government terminated the agreement 'it would never in future give more favourable treatment to any other business'. In the view of the Minister of Agriculture, this would have meant 'virtually confirming the existing Company in an uncontrolled monopoly'. The Minister recommended the second option.<sup>18</sup>

Not everyone agreed with the Minister's view that a public utility company would be in the best interests of the country or that RECSCO had failed in its promises. In a memo to the Prime Minister on 11 September 1937, B. L. Gardiner, an official of the Bulawayo-based Willoughby's Consolidated Company, strongly opposed expropriation. He argued that there was no expertise in the country to run the business outside RECSCO, and there was also a danger that a public utility company would continually be 'subjected to political pressure and wire pulling'.

In addition, Gardiner maintained, as the IMF and World Bank were later to argue in the 1990s, that a public utility company was likely to be grossly inefficient, for 'it is always the case that once a concern is under state control, efficiency goes by the board'. Gardiner further stated:

Here we have in Rhodesia an organisation, the Rhodesia Cold Storage Company associated with a strong organisation in the Union of South Africa. The Rhodesia Cold Storage Company have built up slowly and with difficulty a business that within the last two or three years has been well, efficiently and economically run, which is in a position to secure markets on the best terms, and with an organisation to transport and dispose of this country's cattle to the best advantage . . . At one blow, this can be destroyed.

Gardiner concluded by warning that should the government proceed with its plans to establish the proposed public utility company, the experiment 'will end in disaster, and its repercussions on the cattle industry of Southern Rhodesia will be most serious'.<sup>19</sup>

Despite Gardiner's spirited defence of RECSCO, government expropriated the undertaking. On 31 August 1937, the Minister of Agriculture informed the Chairman of RECSCO of the government's intention to

<sup>18</sup> NAZ/S2704/1/1340/2, Cold Storage Commission, General, 1948-1950, Minister of Agriculture to Cabinet. The Minister of Agriculture and Lands was opposed to granting a monopoly to RECSCO particularly because 'giving a monopoly to the Cold Storage Company in this colony [was really giving] a monopoly to the parent company in the Union of South Africa'. See, S. R. *Legislative Assembly Debates* (1st Nov. 1937, 3rd Session, 4th Parliament), XVII, 2447.

<sup>19</sup> NAZ/S2704/3/1, CSC, Expropriation of the Rhodesian Export and Cold Storage Company, 1937-1951.

expropriate as a going concern the undertaking in the Colony of the Rhodesia Export and Cold Storage Company Ltd. Byo on expiration of the Agreement, namely as from the 30th April 1938 (in terms of Clause 12 of the Schedule to Act No. 34, Chilled and Frozen Meats Export Act 1924).<sup>20</sup>

On 15 October 1937, Cabinet resolved that a bill should be drafted 'for the establishment of a commission on the lines of the Electricity Commission to take over this business'.<sup>21</sup> The proposed bill subsequently became the Cold Storage Commission Act 37 of 1937 which provided for the establishment of

a Commission for the purpose of acquiring, establishing and operating abattoirs and refrigerating works for the purpose of chilling, freezing and storing beef, mutton, pork, poultry and other meat foods for export or for consumption within the colony.

Comprising six members, the Commission was to have 'the sole and exclusive right' to erect, establish and operate abattoirs and to process, handle, market and otherwise transact in frozen and chilled meat products for export. As a public utility company, the Commission was expected to provide a public service. Clause 13 of the Act stated clearly that 'it shall be a general principle of the Commission that its undertakings shall, as far as practicable, be carried on neither at a profit nor at a loss'.<sup>22</sup>

RECSCO proved uncooperative during the expropriation exercise and refused to accept the government's purchase offer of £200 000, claiming a sum of £572 000 instead. The matter went to arbitration, resulting in the Umpire awarding RECSCO a total of £286, 930 together 'with interest at the rate of 5% per annum from the first day of June 1938 until the date of payment'. Thus, although the Commission was created on December 1, 1937, it did not actually take control of the works until 1 May, 1938. The assets surrendered by RECSCO following the above agreement included buildings, Cold Storage Area grant of 50 morgen, plant and machinery and Strathmore Ranch, on the Gwanda Road south of Balla Balla.<sup>23</sup>

### THE EARLY YEARS, 1938-1953

From the debates surrounding the decision of the government to establish the Commission, it is evident that the major objectives of such a move

<sup>20</sup> *Ibid.*, Minister of Agriculture and Land to Chairman of RECSCO on 31/8/37.

<sup>21</sup> *Ibid.*, Cabinet Resolution No. 5502 of 15 Oct. 1937.

<sup>22</sup> *The Cold Storage Commission Act No. 37 of 1937.*

<sup>23</sup> NAZ/S2704/3/1, CSC, Expropriation of the Rhodesian Export and Cold Storage Company, 1937-1951; CSC, *First Annual Report and Accounts for the Period 1st Dec. 1937 to 31st Dec. 1938* (Salisbury, Govt. Printers, Presented to the Legislative Assembly, 1939).

were to develop and expand the country's beef exports to the international market, which RECSCO had not been able to do to the government's satisfaction, and, secondly, to promote the country's cattle industry in general and the interests of the small-scale settler cattle farmers in particular.

To ensure that it had sufficient capacity to slaughter cattle and process good quality beef for export, the Commission established a number of abattoirs and cold stores throughout the country in the first few years of its existence. First, it expanded and modernised the Bulawayo factory that it had inherited from RECSCO and then established new abattoirs at Salisbury (1943), Umtali (1946) and Fort Victoria (1951). It also built cold stores in Que Que (1946) and Gwelo (1947).<sup>24</sup> From these establishments, the Commission was able to produce sufficient meat for both domestic consumption and export.

The Commission cultivated a number of foreign markets for its beef, the most important of which were Northern Rhodesia, South Africa, Congo and the United Kingdom. These markets, collectively, absorbed most of the Commission's beef products, with the balance going to the domestic market. Most of the Commission's beef exports in the first three years went to the United Kingdom, which had entered into an agreement with the Commission to supply given quotas of beef to Britain's Ministry of Food, especially after the outbreak of the Second World War.<sup>25</sup> A small amount of exports went to Northern Rhodesia, Congo and South Africa while the balance was consumed locally.

By the 1940s, however, the picture was changing as exports to the United Kingdom dwindled and petered out at the height of the war in 1943 and 1944 as a result of the disruption of normal peace-time marine transportation, which led to shortages of refrigeration space for Rhodesian meat exports. Thereafter, the Commission's exports to the UK stopped with the exception of 1945 and 1946 when minuscule amounts were exported. The loss of the British market was compensated for by a slight increase in exports to regional markets between 1941 and 1947.

The impact of the loss of the British market was also lessened by the fact that domestic consumption increased at the very time that foreign markets were drying up. The domestic market expanded markedly in this period as shown in the Commission's Annual Report of 1946 which noted:

Consumption of beef has risen so rapidly . . . that . . . deliveries of cattle to the works do not now produce a surplus. In 1936 a seventy-one

<sup>24</sup> CSC, *Annual Report and Accounts, 1938-1947*.

<sup>25</sup> NAZ/S1215/1342/1, Cold Storage Commission: Agreement for Supply of Meat to Britain, Sept. 1939- Nov. 1942.

thousand head of mature cattle were consumed in the colony; in 1946 the figure rose to one hundred and sixty thousand, an increase of one hundred and thirty-four per cent in ten years.<sup>26</sup>

The increase in domestic consumption was partly the result of the Commission's determined campaign to promote beef consumption among the African population by running a promotional sales campaign to open up butcheries in African areas. The campaign was backed up by assistance to such outlets in the form of transport and the provision of cold rooms.<sup>27</sup>

In addition, there was a noticeable increase in beef consumption among the rapidly growing African urban population, drawn into the cities by the emerging manufacturing industries. The domestic market was later augmented by the influx of White immigrants who came into the country following the war. By 1950, 53% of the Commission's beef products was consumed within the country, while the balance continued to be exported to the regional markets.<sup>28</sup>

The increase in the domestic demand for beef was so rapid that by the late 1940s the Commission was having to ration beef supplies to butchers in the country to prevent beef shortages. The problems created by the escalating domestic demand were revealed by G. M. Huggins in February 1951 when he wrote:

The present position from the point of view of the consumer in Southern Rhodesia is a very difficult one, as beef production in the Colony has fallen very short of demand and we have experienced great difficulty in spreading our supplies over the seasons to avoid meatless weeks and even months. In order to achieve this, we introduced a Sales Permit which enabled us, with the assistance of the Cold Storage Commission, to control the amount of beef going into consumption . . . In the past two months, the public has only been receiving 57% of its requirements.<sup>29</sup>

The problem of cattle 'surpluses' which had plagued the country since the second decade of the century had been resolved.

By the 1950s, the Commission had also succeeded in providing cattle farmers with a guaranteed market for their product and restoring the farmers' confidence in the viability of the industry. Commenting on this role of the Commission, the Horwood Report noted in 1963 that, because of the hardships faced by the country's cattle farmers, the years following the Great Depression had seen a considerable fall in cattle numbers (by

<sup>26</sup> CSC, *Ninth Annual Report and Accounts*, 1946, 20.

<sup>27</sup> Federation of Rhodesia and Nyasaland, *Report of the Commission of Enquiry into the Beef Cattle Industry of Southern Rhodesia and Northern Rhodesia* (O. P. F. Horwood — Chairman, 1963 — hereafter *Horwood Report*).

<sup>28</sup> *Danziger Report*.

<sup>29</sup> NAZ/F226/1321/6, Liebig's Agreement, G. M. Huggins to K. Carlisle, 23 Feb., 1951.

200 000 head in African areas and 250 000 head in European areas), and that the industry only started developing again after the introduction of the Commission in 1938 with its 'guaranteed prices and markets'.<sup>30</sup>

In consultation with the Rhodesian National Farmers' Union, the Commission guaranteed producers a minimum cattle price for periods of five years at a time and undertook to buy all cattle offered it at these 'floor' prices, which in 1950 were pegged at 70 shillings per 100 lbs cold-dressed weight. The price was later increased to 97 shillings and 113 shillings in 1955 and 1959 respectively.<sup>31</sup>

Meanwhile, the total national herd increased from under 3.6 million head in 1948 to about 4.2 million and 4.75 million head in 1955 and 1960 respectively. This represented an increase of about 17.7% during the first seven years and of 13.1% in the subsequent five-year period.<sup>32</sup> While there is no evidence to suggest that the increase was the direct result of the Commission's policies, it is reasonable to conclude that it played a role in encouraging that increase.

The Commission also succeeded in rationalising what had hitherto been a chaotic domestic cattle-marketing system. Until 1942, Rhodesian stock owners sold their cattle in an unrestricted market. They could dispose of their herds by auction or by out of hand sales. All wholesale marketing was 'on the hoof' usually at public auctions where the auctioneer often charged the seller a five percent commission, while some producers sold their cattle directly to retailers and butcher shops. There were no fixed grades or prices, and buyers and sellers were left to agree on a price for each beast.

This method sometimes worked to the disadvantage of the producers since buyers generally paid 'a price lower than that obtainable at a public sale' in order to increase 'the spread between the amount the producer receives for his cattle and the amount the consumer pays for his meat'.<sup>33</sup> From 1942 onwards, the Commission improved the cattle-marketing system by insisting that cattle be sold 'cold dressed weight' and on a grade basis. These measures were meant specifically for the White cattle-farmers.

Although it was not expected to make profits and was subsidised by government throughout the period, the Commission recorded operational profits in most years and used these to supplement government funding. In the period June 1959 to June 1962, for instance, the Commission's

<sup>30</sup> *Horwood Report*, 44.

<sup>31</sup> *Ibid.*

<sup>32</sup> NAZ/F2591/1 Cold Storage Commission: Memorandum of Evidence to the Commission of Enquiry into the Cattle Industry, 1963, M. Janneck and P. Swart, 'The Place of the Cold Storage Commission in the Rhodesian Meat Industry' (Oct. 1962).

<sup>33</sup> S. R. Committee to Enquire into the Costs of Distribution of Imported and Local Products in Southern Rhodesia, *Interim Report on Livestock and Meat, with Special Reference to Cattle and Beef*, 1936 (A. R. Burnett-Hurst — Chairman), 14.

operational profits were reported to have been 'equivalent to 0.86 per cent of turnover'. Similarly, between 1956 and 1961, the Commission purchased approximately 1 000 000 cattle, achieving a turnover in excess of £36 000 000 and realising a gross profit of £1 129 252 or an average of £1 per beast.<sup>34</sup>

Meanwhile, the Commission came under Federal control on 1st July 1954. It continued, however, to operate under the 1937 Act until the passage of the Cold Storage Commission Act in 1960, which established a commission consisting of nine members, to which the assets and liabilities of the previous Commission were transferred.

Previously, the Commission operated only in Southern Rhodesia but in 1960 its activities were extended to Northern Rhodesia and Nyasaland. It now controlled and operated four meat works in Southern Rhodesia (in Bulawayo, Salisbury, Umtali and Fort Victoria), three works in Northern Rhodesia (in Livingstone, Lusaka and Kitwe), and one in Nyasaland (in Blantyre). In 1963, the Commission handled some 60% of the total slaughter production of the Federation of Rhodesia and Nyasaland. The remaining 40% was handled directly by butchers operating in the rural areas and private and municipal butchereries in the towns.<sup>35</sup>

### AFRICAN CATTLE MARKETING

The rationalisation of the marketing of African cattle followed a somewhat different pattern from that applied to settler farmers' cattle. Prior to the Second World War, no efforts were made either by government or by the Commission to develop an organised cattle marketing system for African cattle in Southern Rhodesia. In those days, cattle were purchased from the Africans mainly by traders, speculators, individual European farmers and agents of local meat companies such as RECSCO, Liebig's and the Commission. Buyers would move from village to village with large sums of money and negotiate the price of each beast with the sellers. Beasts were bought on the hoof. Because there was then no grading or weighing system, prices for beasts varied with the negotiating abilities of the individual buyers and sellers.<sup>36</sup>

The Commission found this method of acquiring cattle for slaughter unsatisfactory because cattle prices tended to fluctuate from beast to

<sup>34</sup> *Horwood Report*, 83, 150.

<sup>35</sup> NAZ/F259 [1131]/1-2, Cattle Commission, Evidence 1962-63 and Cattle Inquiry Commission, Evidence Received 1963, Janneck and Swart, 'The Place of the Cold Storage Commission'.

<sup>36</sup> S. R. *Report of the Commission Appointed to Inquire into the Marketing of Slaughter Cattle and the Products Thereof, 1942* (W. E. Thomas — Chairman); S. R. *Report of the Commission of Enquiry into Certain Sales of Native Cattle in Areas Occupied by Natives, 1939* (R. J. Hudson — Chairman, hereafter *Hudson Report*, Presented to the Legislative Assembly, 1939).

beast. Moreover, the Commission could never be certain of the numbers of cattle that buyers would be able to obtain on any given trip. In addition, the Commission was not receiving enough slaughter cattle to meet the demands of the market, especially to supply the armed services during the Second World War. By 1941 it had become evident that 'in spite of the excessive herds of cattle held in the African areas, the Commission and Liebigs were unable to fulfil urgent orders for the supply of tinned meats for the fighting forces'.<sup>37</sup>

The apparent reluctance of Africans to part with their large herds of cattle convinced the government that coercive measures were necessary in order to 'persuade' them to sell their stock. As early as 1937, the Secretary for Native Affairs had explicitly told the Acting Native Commissioner for the Victoria District that 'pressure should be brought to bear on the natives . . . to sell [their] stock'.<sup>38</sup> The decision was made that Africans should be allowed to retain only limited numbers of cattle according to the following formula:<sup>39</sup>

Category	No. of Cattle
Members of family with more than one wife	9-13
Members of family with one wife	8-10
Bachelors of marriageable age	6-10
Bachelors just registered	5-8
Children	2-4

In 1941, Government formalised its de-stocking policy by passing Natural Resources Act No. 9 of 1941, Section 36 of which provided for the limitation of the numbers of livestock in African areas on the grounds that overstocking in those areas was causing environmental degradation. Thereafter, pressure on Africans to sell their 'surplus' stock was intensified so that the volume of Commission purchases of African cattle increased (see table below).

Meanwhile, in order to rationalise the marketing of African cattle, assure the Commission of cattle supplies, and further its de-stocking objectives, the government arranged for the Native Department to hold organised sales at select points in the African areas on a live weight and grade basis. Furthermore, the Chief Native Commissioner negotiated a

<sup>37</sup> NAZ/F259 [1131], Cattle Commission, Evidence 1962-63, S. R. Ministry of Internal Affairs, Evidence for Submission to the Commission of Enquiry into the Cattle Industry (June 1963).

<sup>38</sup> *Hudson Report*.

<sup>39</sup> *Ibid.*

**THE COLD STORAGE COMMISSION'S PURCHASES OF AFRICAN CATTLE  
1942-1951**

Year	Total Head Purchased
1942	27 000
1943	39 000
1944	48 000
1945 *	100 000
1946 *	102 000
1947 *	148 000
1948	87 761
1949	90 802
1950	71 708
1951	91 200

\* These were the years of maximum de-stocking in the African areas.

Source: S. R. Danziger Report, 16.

five-year buying agreement with the Commission whereby the Commission was to act as the residual buyer for any African cattle that were offered for sale. The Commission was to buy such cattle at the prevailing 'floor' prices.<sup>40</sup>

To prevent speculators from hoarding cattle and thus depriving the Commission of adequate supplies, government passed the Cattle Sales Permit Order (Government Notice No. 603) providing for the allocation of permits to buy African cattle only to buyers who required the cattle for slaughter or for *bona fide* farming activities. It also established a quota system for buyers. In 1947 came the Native Cattle Marketing Act (Act No. 23/1947) which empowered the Minister of Native Affairs to determine the method of sales, the places where sales could be held and the person or persons or class of persons who could purchase at such sales.

Subsequently, the Minister of Native Affairs ruled that periodic organised sales be held in various communal areas and that only the Commission, Liebig's and those butchers who were not being supplied by the Commission should be permitted to purchase at such sales. The Commission was allocated a quota of 50% of all slaughter cattle sold at such sales in Bulawayo, Fort Victoria and Gwelo provinces and 33% in the remaining areas of the country.<sup>41</sup>

<sup>40</sup> Slaughter Cattle Prices Order — Government Notice No. 18 of 1942.

<sup>41</sup> Danziger Report.

The African cattle marketing system was, then and later, criticised for confining Africans to selling their cattle through statutory channels when the European stock producer was free to exercise choice, while the prices paid for African cattle were said to be below the market price.<sup>42</sup>

There were several complaints from the late 1930s about the manner in which African sales were conducted by the Native Department and the Commission. Reverend A. C. Jackson of Chibi District, Reverend A. S. Cripps of Charter District and Mrs Comberbach, the wife of the Native Commissioner for Chibi District, for instance, complained that Africans in their areas were being forced to sell cattle against their own wishes, that the prices paid for the cattle were very low, that cattle belonging to Africans who were absent at the time of sale were sold without their knowledge or consent and that those Africans who refused to sell their cattle were punished or were threatened with punishment.<sup>43</sup>

A Commission of Enquiry in 1939, headed by R. J. Hudson, investigated these and other complaints. It not only rejected the charges laid by the three complainants but also asserted that Africans were very happy and grateful for a chance to de-stock, were satisfied with the prices paid to them and were subjected to no coercion by the Native Commissioners. This conclusion was arrived at in spite of the Commission's own evidence to the contrary.

For instance, the Commission's own evidence revealed cases of Africans being assaulted by Native Commissioners when they refused to sell their cattle. In the Victoria District, for example, the Commission noted that 'a native had been assaulted by Mr. Gifford (the Native Commissioner) because he would not allow the latter to cull his cattle'. It further reported that

Mr. Gifford admitted frankly that he had hit the native a back hand blow, but he stated he did so because the native had actually shouldered him aside and thus by force tried to prevent him from culling the herd in question.

The Commission then conveniently added that 'the native in question appears to have been under the influence of Kaffir beer' and concluded, therefore, that 'no blame can be attached to Mr. Gifford for his action'.<sup>44</sup>

Similarly, while the Commission insisted that Africans were not being compelled to sell their cattle, it reported, in the same breath, that in Gutu District,

Mr. Du Plessis admitted frankly that he told the natives who had elected to slaughter cattle in preference to selling them that if those cattle, the

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<sup>42</sup> *Ibid.*

<sup>43</sup> *Hudson Report.*

<sup>44</sup> *Ibid.*

brushes of whose tails had been cut, were again seen at the dipping tanks, they would be slaughtered and the owners fined 2s 6d in respect of each such beast.<sup>45</sup>

Regardless of the complaints noted above, the Commission, with the full support of the government, continued to buy African cattle at such officially designated Native Department Sales at controlled prices. Although the Commission and the government justified their practices by arguing that the African cattle marketing system was designed to protect African stock holders from being taken advantage of by unscrupulous 'rings' and speculators, Phimister has cast doubt on the motives of the Commission and has argued that it was, in fact, deliberately promoting the interests of White cattle farmers by continuing the campaign began in the 1890s to dispossess Africans of their herds.

Phimister maintained that the settlers not 'only stole African land in the 1890s but they also stole up to 200 000 African cattle between 1893 and 1896' and that this policy continued well into the 1950s. He wrote that, in the 1950s, the Commission was buying

African cattle at knockdown prices during the dry season when the owners lacked pasture for the animals. The cattle were passed to European farmers who were paid handsomely for fattening the cattle for slaughter.<sup>46</sup>

Apart from the fact that Africans were compelled to sell their cattle in times of drought, when the cattle were least likely to command good prices on the market, other factors also contributed to the poor prices Africans received for their cattle at this time. Among these was the fact that, even in good years, African cattle were often purchased at the times when European-owned cattle were glutting the market. Furthermore, because of government pressure to de-stock, Africans were sometimes forced to sell immature cattle that were not yet ready for slaughter and which consequently commanded lower prices than mature beasts. For these and other reasons, African farmers received less money per beast on average than their White counterparts. For example, in 1945, the Commission offered African farmers 4s 7d as compared to 8s 4d per 100 lb weight to White farmers.<sup>47</sup>

Such immature African cattle and cattle that were otherwise unfit for immediate slaughter were often entrusted to White farmers under the Commission's grazer system, in which the farmers were paid handsomely

<sup>45</sup> *Ibid.*

<sup>46</sup> I. Phimister, 'Meat and monopolies', 397.

<sup>47</sup> E. Punt, 'The Development of African Agriculture in Southern Rhodesia with Particular Reference to the Inter-war Years' (M.A. Thesis, University of Natal, 1979), 137. Cited in T. Hove, 'Peasant Agriculture in Mberengwa, 1890-1945: Some Aspects of Economic Disarticulation' (B.A. Special Honours dissertation, University of Zimbabwe, 1990), 21.

to look after them until such time as they were required by the Commission. According to one source, approximately 45 000 cattle per annum, mostly 'graziers and females suitable for breeding', were transferred from African to White areas under this scheme.<sup>48</sup>

Those cattle that were not farmed out under the grazer scheme were kept on the Commission's own farms. It is reported that by 1951 the Commission owned 282 140 acres and leased 210 582 acres of unoccupied Crown land. In addition, it had 38 460 acres on private lease for holding such cattle purchased from Africans.<sup>49</sup>

Pressure on Africans to divest themselves of their stocks was increased in 1951 with the passage of the Native Land Husbandry Act, which provided for the further limitation of stock owners in the African Reserves, the fixing of the number of stock to be possessed by registered owners, the removal of the equivalent natural increase of stock from overstocked areas and the culling of worthless or inferior stock in the African areas. These and other measures severely prejudiced African economic interests and eventually fuelled mass nationalist African protest against colonial rule.

The situation improved after April 1956, following the recommendations of the Turner Commission of Enquiry on the Marketing of Cattle for Slaughter and the Distribution and Sale of Beef in Southern Rhodesia. Among these were the introduction of free competition throughout the cattle and beef industry with government only providing the floor price, the suspension of retail price controls and the introduction of auction selling for peasant cattle. Free competition meant that buyers were now freed from the obligation of being in possession of permits to buy European-owned slaughter stock at any time, and African-owned stock at auction sales.<sup>50</sup>

#### DIVERSIFICATION, 1938-1963

Although mainly preoccupied with beef production and marketing, the Commission extended its operations to include the production and marketing of other livestock such as pigs, goats and poultry. The Commission became involved in the pig industry in 1948, following the establishment in the previous year of the Rhodesia National Pig Breeders' Co-op Ltd by Matabeleland pig farmers, who requested the Commission to process their pigs for marketing. Subsequently, the Commission acquired Neill's Bacon Factory in Bulawayo as a going concern. In 1943, the

<sup>48</sup> Federation of Rhodesia and Nyasaland, *Report of the Federal Cattle and Beef Marketing Committee, Oct. 1954* (C. A. Murray — Chairman); *Danziger Report*.

<sup>49</sup> *Danziger Report*.

<sup>50</sup> CSC, *19th Annual Report and Accounts, 1956*; Pilborough, 'The Cold Storage Commission', 9.

Commission acquired Neill's Bacon Factory's Salisbury branch and also purchased the bacon factory of Hodgson & Myburg Ltd in Umtali.

The Commission processed and marketed all the Co-op's slaughter pigs at prices fixed by the Rhodesian Pig Industry Board. The net profit from slaughter, processing and sale of bacon and pork from the members' pigs was paid back to the Co-op. Over the period of ten years (1941-1950), profits of £347 355 were realised and distributed to the members of the Co-op. In 1957, the Commission withdrew from servicing the pig industry and surrendered the business to Colcom, a privately controlled producers' organisation. According to the Commission, its withdrawal from the pig industry stemmed from the fact that the arrangement with the Co-operative had 'served its purpose of establishing the pig industry' which could now stand on its own.<sup>51</sup>

In 1948, the Commission also started processing and marketing the poultry products of the recently-established Rhodesian Poultry Co-op. The Commission provided poultry producers with a guaranteed market as it took all eggs offered by members of the Co-op at a fixed price. The poultry venture was never a profitable one since the Commission's sales were often undermined by small part-time producers who flooded the market in the flush season, while the fixed prices paid for the Co-op's poultry discouraged many members who found little incentive in marketing their products through the Commission when they could get higher prices by selling independently. These and other problems eventually forced the Commission to withdraw from the poultry industry in 1964.

In addition to the above, the Commission also produced for sale a large variety of by-products such as hides, neats foot oil, ox gall, edible offals, bloodmeal, meat and bone meal, tallow and dripping, canned meats, ham, and pork sausages among others.<sup>52</sup>

#### THE COMMISSION: AN ASSESSMENT

By the time of the break-up of the Federation of Rhodesia and Nyasaland, the Commission had made significant progress in meeting the objectives set for it at its formation in 1938. It had played a considerable role in ending the perennial problem of cattle surpluses, had helped restore the cattle producers' confidence in the viability of the beef industry by providing a guaranteed market and prices and thus had played a part in stemming the growing tide of farmers leaving the cattle industry. It had also contributed to the expansion of the domestic market for locally produced beef.

<sup>51</sup> CSC, *20th Annual Report and Accounts*, 1958, 6.

<sup>52</sup> For accounts of the CSC's diversification operations see the following: CSC, *Annual Report and Accounts*, 1939-63; Pilborough, 'The Cold Storage Commission'; *Danziger Report*; and Janneck and Swart, 'The Place of the Cold Storage Commission'.

In addition, it had established a nation-wide modern infrastructure consisting of abattoirs, cold stores, canning and other factories, which not only improved the country's capacity to process quality beef and beef products for sale at home and abroad, but which also enabled the Commission to manufacture and market a wide variety of other livestock products. The positive contribution of the Commission to the development of the country's beef industry was acknowledged by the Rhodesia National Farmers' Union which noted in 1961 that 'the production, marketing and pricing policies followed [by the Commission] to date have been beneficial to the industry and to the economy as a whole'.<sup>53</sup>

In sharp contrast to the post-colonial parastatals, which were constantly dogged by managerial inefficiency, corruption and government interference and chronic deficits that drained the public coffers,<sup>54</sup> available evidence shows that in the period under study the Commission was a relatively well-run institution that was not unduly 'subjected to political pressure and wire pulling' and that it fulfilled the mandate given it at its formation. It created the required economic climate for the development of the country's beef industry in general and successfully promoted the sectional interests of the settler cattle producers in particular.

The history of the Commission is particularly pertinent to Zimbabwe of the 1990s, which is under pressure from international financial agencies to dismantle its parastatals, and in which Black Zimbabweans are clamouring for economic empowerment. The Commission shows how the state can, through its public enterprises, direct development in selected sectors of the economy to produce certain desired political and economic goals commensurate with its own developmental strategy. The colonial state's use of the Commission to promote the beef industry while at the same time safeguarding the interests of its political constituency, the White farmers, is clear testimony to the efficacy of this strategy. The Commission's performance analysed above suggests that, the IMF and World Bank's condemnation of parastatals notwithstanding, if properly managed, parastatals can be effectively used as instruments for 'both political and economic empowerment'.<sup>55</sup>

<sup>53</sup> NAZ/F259 [1131]/2, Cattle Inquiry Commission, Evidence Received, Rhodesia National Farmers' Union, Evidence to the Commission of Enquiry into the Cattle Industry.

<sup>54</sup> See Zimbabwe, *General Report of the Committee of Enquiry into the Administration of Parastatals* (Chairman — Justice L. G. Smith, Presented to Parliament in Jan. 1989); A. S. Mlambo, 'A decade of civil aviation in Zimbabwe: Towards a history of Air Zimbabwe Corporation, 1980 to 1990' in *Zambezia: The Journal of the University of Zimbabwe* (1995), XXII, (1), 79–100.

<sup>55</sup> Mandaza, 'Politics and economics of privatisation' 9.

