An assessment of the impact of economic sanctions on Rhodesia's cattle industry, 1965-1972

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Introduction

Although there is abundant literature on international sanctions against Rhodesia, it is disturbing to note that most of this literature places little if any emphasis on South Africa's role in softening the economic impact of the international embargo on Rhodesia's economy especially in the years 1965-1972. In explaining the ineffectiveness of sanctions, far too much emphasis has been placed on the myth of "Rhodesian ingenuity" rather than on the role played by the 1964 Trade Agreement in facilitating sanctions busting by South Africa and Rhodesia.[1] In contrast, this article attempts to correct this anomaly by focusing on South Africa's role in saving Rhodesia's beef

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1. Unike previous Trade Agreements before it, the 1964 Trade Agreement received unanimous approval from the Rhodesian Legislative Assembly. For a more detailed survey of the trade relations between South Africa and Rhodesia see, V. E. M. Machingaidze, "Customs and Trade Relations between South Africa and Zimbabwe: The Past and the Future", (unpublished paper, Southern African Economy After Apartheid Conference, University of York Centre for Southern African Studies, 29 September-2October 1986).

industry from total collapse. The study tries to show how the 1964 Trade Agreement came to act as a means through which Rhodesia's illegal beef exports found their way to the South African market and overseas. Through this Agreement and also the cooperation rendered by South Africa's allies on the continent, Rhodesia was able to earn enough foreign currency to kick-start agrarian diversification in the northern higher rainfall areas where an export quality beef industry soon emerged. However, as the article implies the gains made by Rhodesia's beef industry in the period under consideration here were in the end, nullified by a deepening economic and political crisis spawned by sanctions.

The role of the 1964 Trade Agreement in undermining economic sanctions

Although the British market had, by the early 1960s, become the most lucrative export market for S. Rhodesia's tobacco and beef lingering doubts about the permanence or stability of this international market dictated that the latter maintain its foot-hold on the South African market. With the collapse of the Federation in 1963 and as international economic isolation threatened the two countries with a pariah status, the need for a new and mutually acceptable Trade Agreement became even more pressing. Thus, it was not a coincidence that an agreement, which was to prove advantageous and propitious to S. Rhodesia especially in the light of economic sanctions imposed 12 months later was signed with South Africa in November 1964.[2]

The 1964 trade agreement itself coupled with South Africa's refusal to abide by the United Nations resolution to impose sanctions against S. Rhodesia helped to loosen the noose of economic sanctions on the latter's economy in general and the beef industry in particular. South Africa and Mozambique's "business as usual" approach to S. Rhodesia guaranteed the country valuable staging posts for its illegal exports. In turn, the illegal exports brought much needed foreign currency which S. Rhodesia used to pay for embargoed

2. The agreement, which was unanimously approved by the Rhodesian Legislative Assembly, not only provided for wider and increased preferential treatment in both directions but it made South Africa the importer of Rhodesian products and exporter to Rhodesia. For details on this point see, Southern Rhodesia DEBATES IN THE ASSEMBLY, vol. 59, 3 December 1964, col. 1092.

products such as fuel and aircraft parts, just to mention a few.[3] In an earlier in-depth study of Rhodesian sanctions, H. R. Strack revealed how existing trade arrangements under the 1964 Trade Agreement, facilitated the flagrant violation of international sanctions, when he noted that:

> Rhodesian products are sent to these two countries [South Africa and Portugal] and then re-shipped to buyers all over the world. The records of the importing countries show these goods as having originated in South Africa or Mozambique. If any government challenges a buyer, the buyer can produce false declarations and certificates of origin. With the Rhodesian linkage to the product thus obscured, the buyer is protected from possible prosecution and forfeiture of the product.[4]

In particular, Rhodesian beef imports presented no problems to South Africa, which as Rhodesia's largest beef export market in the region, could simply export more of its own beef and use Rhodesian beef to fill in the gap left on the domestic market by its own exports[5]. For example, in 1966, the South African Livestock and Meat Industries Control Board agreed to import an estimated 1000 carcases per week (48 000 carcases per year) from Rhodesia as long as this didn't have an adverse impact on the South African market. A special levy was collected from Rhodesia to cover possible losses on the scheme "which became known as the Rhodesian quid pro quo scheme."[6] To facilitate the secret export of embargoed products like beef, the [R]hodesia [F]ront government established front companies with links to South Africa's freight forwarding firms. One such front company was Export Sales (Pvt.) which had links with Imex Export, a South African firm with world-wide contacts.[7] The RF government also established various central trading and buying agencies such as Univex, which coordinated exports.[8] The operations of such front companies were abated by the government Printing and

3. H. R. STRACK, *Sanctions: The Case of Rhodesia*, (Syracuse, 1978), p. 114; RHODESIA, MINISTRY OF INDUSTRY AND COMMERCE, *Annual Report, 1971*, p. 4; H. R. STRACK, *The International Relations of Rhodesia Under Sanctions*, p. 213. For details on this point see, Statement by John Wrathal, Minister of Finance, DEBATES IN THE ASSEMBLY, vol. 66, 15 February 1967, cols. 1625-26; vol. 66 15 February 1967, cols. 1625-26; H. R. STRACK, "The International Relations of Rhodesia under Sanctions," (University of Iowa, unpub. PhD thesis, 1974), 208; *RPF*, No. 116, October 1965; Southern Rhodesia and South Africa, Trade Agreement between the government of Southern Rhodesia and the government of the Republic of South Africa, 1964; Strack, *Sanctions*, p. 114.
4. STRACK, "The International Relations of Rhodesia Under Sanctions," p. 240.
5. *RPF*, No. 128, October 1966, p. 7.
6. J. RAWLINSON, *The Meat Industry of Namibia, 1834-1994*, (Gansberg Mcmillan,Windoek, 1994), p. 159.
7. *BC*, 8 March 1966.
8. H.R. STRACK, "The International Relations of Rhodesia Under Sanctions," p. 245.

Stationary Department whose job now included the printing of false papers or certificates of origin for embargoed exports. In this and other ways, the RF government managed to get a variety of dairy products, cotton, grain and beef out of the country.[9] The handling of Rhodesian products in South Africa was made easier by the role played by the influential *Afrikaanse Handelsinstituut*, which in June 1966, called on South African firms to market Rhodesian products to the world in a way which would effectively disguise the country of origin of the products.[10]

The irony of this situation was that British beef consumers, whose country spear-headed the implementation of sanctions against Rhodesia, may actually have continued to consume Rhodesian beef mistaking it for Argentinean or, South African beef for that matter. In March 1968, the *[R]and [D]aily [M]ail* made a startling disclosure when it reported that Britain was still importing large quantities of Rhodesian beef "under false South African papers."[11] Donald Trelford, a correspondent with the *RDM,* reported of a "bizarre and complicated sanctions dodging network running from Rhodesia, through the Canary Islands and a number of European countries."[12] According to the *RDM* report, one Western European meat importer had already been prosecuted for "selling carcasses of Rhodesian beef at the Smithfield market with false South African papers."[13] The paper further reported that "a number of big European firms are also known to be involved in this and other illicit transactions with the RF government."[14] The *Cape Argus* also carried a report under the headline: 'British Sunday joint may be Rhodesian' in which it also noted that:

> Since Unilateral Declaration of Independence and in fact, a little before it, there has been a sudden upsurge in beef cattle raising [in Rhodesia] and today Rhodesia is exporting not only to South Africa but further afield. In fact, it is quite true to say that many of the British housewives' Sunday joints come from Rhodesia, in spite of all the talk about sanctions.[15]

By the early 1970s, major English papers such as *Sunday Times* could still make reports to the effect that most of Rhodesia's agricultural products were still finding their way to world markets thanks to Rhodesian and British

9. H. ELLERT, *The Rhodesian Front War: Counter-Insurgency and Guerrilla Warfare, 1962-1980* (Gwelo, 1989), pp. 164-5.
10. *RH,* 9 June 1966.
11. *RDM*, 18 March 1968.
12. *Ibid.*
13. *Ibid.*
14. *Ibid.*
15. *Cape Argus*, 2 March 1968.

business people, who still maintained very close links through "various cloak and dagger rendezvous."[16] A report quoted by the *RDM* from the *Observer* newspaper during the same period revealed:

> a network of Rhodesian agents organizing deals in Geneva, Zurich, Lausanne, Paris, Hamburg, Bremen, Amsterdam, Rotterdam, Maastricht, Genoa, Trieste, Lisbon, Las Palmas and one of the less frequented Canary Islands.[17]

Earlier in July 1967, one John Wrathal, a correspondent to the Manchester *Guardian*, was quoted as saying that, "through mysterious channels ... and those not so mysterious ... Rhodesian beef ... is still being exported in unknown quantities."[18] In September 1967 the Minister of Agriculture himself revealed that "Rhodesia was selling beef at the rate of £15 million a year" and that such "export earnings enabled the government, a year or two later, to inject nearly one and a half million dollars into the cattle industry under a new bonus scheme."[19] In 1969, it was further "confirmed that about 40 per cent of Rhodesia's beef production was being exported."[20]

The extent to which Rhodesia's secret beef trade was a success will probably never be known, mainly because of systematic cover-ups involving many front organizations and the destruction of data on unacknowledged trade. As Ken Flower, Chief of Rhodesia's Central Intelligence Organization put it, the evasion of sanctions "had become a highly intricate ... game in which players from many countries were participating."[21] For obvious reasons, the RF government itself maintained a veil of secrecy on all transactions made during that time. Thus, typical of Rhodesian official reportage in those days, in 1966, the Secretary for Agriculture could only report that "the Cold Storage Commission [had] gained an entry into a new market", and that with regards to new markets, "no further details can be given ... about transactions which took place and structures devised after UDI since this would not be in the public interest."[22]

However, a few highly classified reports still survive which help to reveal the extent of Rhodesia's unacknowledged beef trade. Figures contained in one official report reveal that by the early 1970s, South Africa had become the

16. *Sunday Times,* (London) 12 November 1972.
17. *RDM,* 18 March 1968.
18. *RPF,* No. 137, July 1967, p. 12.
19. J. HANDFORD, *A Portrait of An Economy Under Sanctions, 1965-1975*, (Salisbury, 1976), p. 109.
20. *Ibid.*
21. K. FLOWER, Serving Secretly: An Intelligence Chief on Record, Rhodesia to Zimbabwe, 1964-1981,(1987), p. 71.
22. Ann. Rep. Sec. Agric. and Lands ...1966, p. 3.

largest consumer of Rhodesia's chilled beef exports, see Table 1.1 below. In 1970, South absorbed an estimated 29 000 tons while in 1971 this total fell to 26 000 tons. Over the same period exports to African countries averaged 4 000 tons while the European market absorbed an estimated 12 500 tons of chilled beef exports. [23]

Table 1.1: South Africa's Beef Imports from Rhodesia and other Adjoining Countries, 1964-1980. (000 tons)

Year	S. Rhodesia	Adjoining Countries Excluding SWA
1964	-	55 668
1965	-	45 081
1966	-	47 839
1967	-	89 385
1968	-	98 593
1969	-	126 582
1970	28 928	125 402
1971	25 558	146 393
1972	25 001	133 209
1973	32 069	167 716
1974	30 636	177 545
1975	27 149	178 108
1976	-	-
1977	-	-
1978	-	-
1979	-	-
1980	-	-

Sources: Figures compiled from:

1. Agricultural Marketing Authority, Economic Review of the Agricultural Industry of Rhodesia: Beef Section, (Secret), 1975, p. 1.29.
2. Annual Reports of the Meat Board of South Africa, 1964-1980.

23. Information on the beef trade between 1965 and 1969 was not available in the reports used in this chapter. For more detail on this see, AMA, *Economic Review of the Agricultural Industry of Rhodesia: Beef Section, (Secret), 1975*, 1.29; *1976*, 2.38

Also forming part of the network of countries helping Rhodesia to violate sanctions on beef were French-speaking African countries with close economic and political links with South Africa such as Gabon. Available press reports suggest that Rhodesian registered aircraft flew thousands of kilograms of meat, fruit and vegetables each week to the Gabonese capital, Libreville, with the permission of the Gabon's President, Albert Bongo himself.[24] Regarded as one of the strongest supporters of "dialogue" with South Africa at the time, President Bongo never denied his involvement in thwarting sanctions against Rhodesia. Indeed, Gabon's President reportedly once declared that "If I do not give a list [of products imported from Rhodesia], it is out of courtesy."[25] In March 1972, a local Gabonese importer explained to the Star that the "plain truth is that we realize the geographical advantages of importing cheaply from sources close at hand. The country would pay more than double by bringing the same things in from, say, Europe."[26] According to the *[R]hodesia [H]erald,* Rhodesian beef was the cheapest and enjoyed the reputation of being the best in French speaking West Africa, selling in Libreville for about 20 per cent less than in other French speaking countries of West Africa.[27]

While the *RH* was only trying to create the impression all that Rhodesia beef was consumed only in French West Africa, the truth of the matter was that Gabon was only one of Rhodesia's gateways to western and southern European markets. For example, Strack notes that:

> a Rhodesian air freight firm, Air Trans-Africa had established a Gabonese subsidiary, Compagnie Gabonaise d'Affretements Aeriens (Affretair), whose DC 8F Model 55 jet freighter carried consignments of Rhodesian beef several times a week to Athens using Libreville as a re-fuelling stop.... the Greek importer[s] paid Affretair at least US $200 less per ton than legitimate importers had to pay for meat but that the entire operation still earned Rhodesia up to £4 million per year. On return

24. *RH*, 1 March 1972.
25. B. COLE, *The Elite: The Story of the Rhodesian Special Air Service*, (Pietermaritzburg, 1984), p. 26.
26. *The Star* (Johannesburg Weekly Airmail Edition), 18 March 1972.
27. *R H*., 1 March 1972; Strack notes that "A note from the United Kingdom dated December 8, 1969 brought the Gabon case to the attention of the [U]nited [N]ations Sanctions Committee. The UN representative sent an acknowledgement of receipt to the secretary general on February 18, 1971 and stated that his Government's observations would be forwarded to the Secretary General as soon as his note was received in Libreville. As of 31 December 1972, no reply from Gabon was received by the UN. For more details on this point see Strack, "The International Relations of Rhodesia Under Sanctions," p. 253.

> flights from Athens, the plane stopped either at Amsterdam's Schiphol Airport, Cologne, or Paris' Le Bourget Airport to load freight destined for Libreville. Since the destination of the freight was not Rhodesia, this specific activity did not violate UN sanctions. The carrying charges paid to Affretair, however, constituted foreign ex-change for Rhodesia, and this was a violation. Olympic Airways [Greece] and UTA Airlines [France] are among the companies which service the Affretair plane. The authorities in Greece and Holland have refused to stop Affretair activities because they accept Affretair's cover story that it is a Gabon airline and that it is only carrying freight to and from Libreville. The aircraft's papers certify the point of origin as being Libreville. The Greek importer claims that the beef he imports is South African.[28]

The truth of the matter however, was that Affretair was actually the Rhodesian government's own national cargo airline set up in 1967.

> Established by Jock Mallock, the Rhodesian born flying companion of Rhodesian Prime Minister, Ian Smith, in the Royal Air Force during the Second World War, the cargo carrier operated clandestinely to smuggle goods into and out of the country to keep the besieged economy from going under. Variously called 'Rhodesia Air Services', 'Air Trans Africa', 'Air Gabon Cargo', and 'Affreitair', this air cargo carrier flew into numerous airports world-wide in flagrant contravention of the United Nations sanctions against Rhodesia.[29]

It was the shadowy Mallock who was responsible for flying the long-range DC 8F aircraft on weekly sorties "which became known to the Rhodesians as

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28. STRACK, "The International Relations of Rhodesia Under Sanctions," 253; "In June 1974, Greece decided to deny Affretair landing rights and not to accept any more certificates of origin issued by South African authorities on merchandise suspected to be of Rhodesian origin. Greek importers had produced such certificates for the Rhodesian beef. Over 30 people were put on trial in Athens including the trade Minister of the former Papadopoulos regime and one of Greece's biggest meat importers, Stavros Tsonis. Tsonis claimed that he was doing a favour to the state, offering the best meat, and the cheapest, at a time when the meat shortage was an international phenomenon. He also claimed that he acted on direct orders from the Trade Ministry. A total of 23 000 tons of meat was imported from May to the end of 1973, according to the *RH*, 4 June 1975." For more details on this point see also Strack, *Sanctions*, p. 137.

29. A. S. MLAMBO, "A Decade of Civil Aviation in Zimbabwe: Towards a History of Air Zimbabwe Corporation, 1980-1990", *Zambezia*, Vol. 22(1), 1995, p. 83; For a background history of civil aviation in Rhodesia before 1965, see Mlambo, "Civil Aviation in Colonial Zimbabwe, 1912-1980", *Zambezia*, 19(2), 1992; FLOWER, *Serving Secretly*, pp. 75-76; *Air Zimbabwe News*, (1984) H. ELLERT, *The Rhodesian Front War*, p. 170.

the 'meat run'."[30] With the full and close cooperation of government officials from the Rhodesian Ministry of Foreign Affairs, who established "a low diplomatic presence in Libreville and later in Abidjan", Mallock was able to regularly fly whole "plane loads of beef" to West Africa without any questions being asked.[31] It was also because of its role in sanctions evasion that Affretair quickly earned itself the reputation of a "sanctions busting airline."[32] Affretair also helped the Rhodesian government to establish a cheaper and faster air link between Salisbury, Windhoek in South Africa's mandated territory of South West Africa and Luanda in Angola. The establishment of this crucial air-link helped to ease Rhodesia's penetration into the Angolan market as well.[33] It also helps to explain the increase in the amount of Rhodesian beef moved out of the country by air from the early 1970s onwards. Air transport, as compared to rail transport, was of strategic importance as it minimized the risk of detection by sanctions monitors and also enabled Rhodesia to get fresh beef to secret markets faster, cheaply and on a regular basis. In 1971, a total of 4 000 tons or 8.8 percent of total beef exports were airlifted out of the country. This factor also explains why most of Rhodesia's fresh exports, which included beef, were increasingly airlifted rather than railed especially from the early 1970s onwards when the intensification of the Second Chimurenga War made road and rail transport increasingly unreliable and dangerous.

Although there are no official statistics to show the quantities of beef exported between 1965 and 1969, reports of the value of exports from de-classified sources actually show that Rhodesia may have exported, i.e. in terms of value, as much beef in the mid to late 1960s, if not more, as it did in the early 1970s. For example, in 1967, it was reported that Rhodesia was selling beef at the rate of £15 million a year.[34] Other sources indicate that around 1967, at least 40 per cent of Rhodesia's beef production was finding

30. H. ELLERT, *The Rhodesian Front War*, 172; Peter Godwin and Ian Hancock (eds.) *Rhodesians Never Die: The Impact of War and Political Change on White Rhodesia, 1970-1980* (Harare 1993), 309; According to Strack, reporters from the *ST* (26 August 1973 and 2 September 1973) claimed to have seen the aircraft at the various airports mentioned and had photographs of its Rhodesian pilot, Jack Mallock. For more details on this see Strack, "The International Relations of Rhodesia Under Sanctions", p. 254.

31. H. ELLERT, *The Rhodesian Front War*, p. 171.

32. *Ibid*, p. 42.

33. Between 1972 and 1973, an estimated 10 000 head of cattle, including 350 pigs and agricultural machinery, were airlifted from Salisbury to Luanda. For more details on this, see *R H*, 16 September 1971; 22 June, 25 July, 27 July 1972; 25 January, 4 February 1973.

34. J. HANDFORD, *Portrait of An Economy Under Sanctions*, p. 109.

its way out of the country and the same figure remained more or less constant after 1971. Clearly, a substantial quantity of these exports, mainly top quality beef, was airlifted to Western or Southern Europe via Libreville, while considerable quantities were sold to Zaire and Angola.[35] Although official reports try to attribute the country's success in conducting a secret beef trade to Rhodesian ingenuity, the truth of the matter is that it was much easier for sanctions violators to disguise the origins of beef than it was for Rhodesia's flue-cured Virginia tobacco, which could more easily be identified.[36] This factor largely explains the relative success of the international economic embargo in stopping or reducing Rhodesian tobacco exports. It was the key difference between these two Rhodesian export products which was to define the pattern of agrarian diversification, as was epitomized by the capitalist agricultural sector's shift from tobacco to cattle, in the immediate post-1965 period.

Diversification: The shift from tobacco to beef, 1965-1972

An important point to emphasize here is the fact that the lucrative pickings from Rhodesia's secret trade not only helped to loosen the sanctions noose on the capitalist agricultural sector, but also made beef production a viable alternative for tobacco producers already reeling from the impact of sanctions. Now, increasing numbers of tobacco farmers, with direct financial assistance from the government, switched to beef. As one commentator aptly put it, "the shift to cattle raising was made partly because beef proved to be a particularly successful sanctions busting commodity."[37] Thus, the imposition of sanctions in 1965, helped to catalyze the process of agrarian diversification, a process which began to take place slowly from the late 1950s because of the glut on the international tobacco market.[38]

The RF government's main pre-occupation after 1965 was obviously the preservation of white economic survival. Thus, while white farmers received more subsidies and cheap loans [39], RF government "used every means at their

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35. *Ibid*.

36. This factor largely explains why tobacco export earnings fell by as much as 37 per cent between 1965 and 1967. For more details on this point see, R. C. PORTER, "Economic Sanctions: The Theory and the Evidence from Rhodesia," *Journal of Peace Science*, (Fall, 1978), 100; STRACK, *Sanctions*, p. 94.

37. R. KENT et al., *Historical Dictionary of Zimbabwe* (London, 1990), p. 49.

38. M. GOLDBERG, "Commercial Agriculture in Rhodesia, 1965-1980: Consolidation and Change," (University of London, unpub. MA thesis, 1982), p. 5.

39. For example, in 1966, "any worthwhile farmer" could qualify for interest free loans under the Greylin Farmers' Assistance Scheme. For more details on this point see, *FM*, 26 August 1966, 587. Graylin was the Chairman of the Tobacco Export Promotion Council.

disposal to pass on the burden of sanctions [or white survival] ... to the African masses."[40] Indeed, this came as no surprise since Ian Smith, the Rhodesian Prime Minister himself, had warned the British government that if sanctions were imposed, "Europeans could pull in their belts, but Africans would lose their livelihood and might even be without food.'"[41] Thus, by the early 1970s, government subsidies and loans ran at an estimated $8 000 per white farmer as compared to 60 cents per each African peasant farmer.[42] Most financial assistance in the capitalist agricultural sector went towards the provision of drought relief and the provision of water infrastructure such as bore holes, especially in drought-prone Matabeleland.[43] Besides increasing financial assistance to the capitalist agricultural sector, the RF government moved to exercise tighter control over the marketing of agricultural products in which the country was a net producer using its parastatals. One of these government controlled central marketing agencies was the [A]gricultural [M]arketing [A]uthority, whose job it was to carry out market research for different products, study marketing channels for different products, co-ordinate pricing policies and advise government on marketing policies.[44] The AMA also acted as a "channel for most of the external short term financing of the [marketing] boards [such as the Cold Storage Commission] under its control to enable them to conduct their marketing activities."[45] Thus, it crucial function during the sanctions period was to co-ordinate the RF government's elaborate sanctions busting network.

As an interim measure to kick-start a quick shift away from tobacco, the RF government established a "subsidy system to buy up and store non saleable stocks." The stock piled surplus tobacco was then "gradually sold as sanctions busting developed." [46] While the programme to stockpile tobacco

40. ASTROW, *Zimbabwe*, pp. 15, 57.

41. Indeed, after sanctions were imposed in 1965, the level of African repression and landlessness increased while the standard of living fell noticeably. For more details on this point, see Astrow, *Zimbabwe*, pp. 15, 57.

42. C. STONEMAN, *Zimbabwe's Inheritance* (London, 1981), p. 139.

43. [C]entre for [A]frican [S]tudies, "Zimbabwe: Notes and Reflections on the Rhodesian Question," (Maputo, unpub. paper, March 1979), p. 18.

44. Apart from the [A]gricultural [M]arketing [A]uthority, the Government also established the [T]ribal [A]rea [D]evelopment [C]orporation (1968), [S]abi-[L]impopo [A]uthority (1970), [A]gricultural [D]evelopment [A]uthority (1971), [A]gricultural [F]inance [C]orporation (1971),[A]gricultural [R]esearch [C]ouncil (1971). For more details on this see I. M. HULLME, *Agriculture in Rhodesia*, (Salisbury, 1977), p. 10.

45. V. TICKNER, *From Rhodesia to Zimbabwe: The Food Problem* (London, 1979), p. 28.

46. CAS, "Zimbabwe: Notes and Reflections," (Maputo, unpub. paper, March 1979), 16; ASTROW, *Zimbabwe* , p. 15.

was being implemented, the government devised a phased plan for the reduction of tobacco production throughout the country.[47] The result was that between 1966 and 1968, an estimated 900 farmers out of approximately 2600 tobacco farmers, stopped growing tobacco.[48] Hopes of reaping profits from Rhodesia's secret beef exports largely explain why many tobacco producers opted to switch to cattle. This was in spite of the fact that returns from cattle were deferred and diversifying away from tobacco to either cotton or maize production was less expensive. As a result of increasing confidence in beef production, the capitalist ranching sector expanded rapidly after 1965. This was so much that by 1971, the cattle industry's overall contribution to total national agricultural production value had exceeded that of tobacco.

The expansion in capitalist beef production, though, also took place regardless of the fact that livestock farming did not really provide equivalent economic returns per acre as tobacco.[49] For example, in January 1966, K. S. Ainslie, the local livestock expert, cautioned farmers that the profitability of beef would generally fail to match that of tobacco "under ideal conditions with an unlimited market."[50] However, obviously mindful of the success of country's secret beef trade, Ainslie was quick to advise tobacco farmers to focus their attention on beef production as opposed to any other forms of diversification.[51] Many people involved in the cattle business, for example, James Gilchrist, one of the country's leading cattle auctioneers, were well aware of the attractive prospects provided by Rhodesia's illegal beef exports. Gilchrist noted that:

> Although markets have been closed to Rhodesian products, outlets have been found and continue to be found for Rhodesian beef. Far from there being any of the curtailment in production, the country's beef output is on the up and up and is playing a major role in the diversification programme.[52]

The shift from the 'leaf of gold' to beef in the north was further hastened by the inflow of feeder cattle rescued from the ranching districts of Matabeleland and Victoria which between 1965 and 1968 were hit by severe drought.[53]

47. *Ibid*., Tobacco was to reduced as follows: 1965, 246 million Ibs.; 1967, 200 million Ibs. and 1968-71, 132 million Ibs.
48. G. KAY, *Rhodesia: A Human Geography* (London, 1970), pp. 113-4.
49. J.A. MACKENZIE, Commercial Farmers in the Governmental System of Colonial Zimbabwe, 1963-1980, (University of Zimbabwe, unpub. DPhil thesis, 1989), 107; C. STONEMAN, "Agriculture", p. 141.
50. *Rhodesia Tobacco Journal*, Vol. 18 , No. 1, (1966), p. 37
51. *Ibid*., p. 38.
52. *RPF*, No. 153, November 1968, p. 21.
53. Ann. Rep. Sec. Agric. and Lands ...1971, p. 2.

During the 1965-1966 season, an estimated "one fifth of the cattle population [in the south-western Matabeleland] perished from starvation and lack of water in approximately three months."[54] To prevent more losses from drought thousands of cattle were evacuated northwards and placed under the Cattle Finance Scheme under which they were distributed among white commercial farmers for fattening. Between 1965 and 1966, government drought relief buying teams bought approximately 65 575 head and out of this an estimated 64 509 head were given to farmers for this purpose. An estimated 67 320 head were purchased by northern farmers and placed under private grazing while approximately 37 787 head were immediately slaughtered by the CSC. The government buying teams also bought approximately 28 453 head from African peasants for lease under the Cattle Finance Scheme.[55]

The problem of drought helped to bring the already existing problems of economic viability in the southern ranching areas into sharp relief.[56] Due to ecological deterioration, the carrying capacity of many ranches declined and hundreds of thousands of cattle died. Although the lack of sufficient grazing made supplementary necessary, undercapitalization prevented this from happening. For a start, cattle prices on Bulawayo cattle markets plummeted, due to the glut resulting from drought-induced sales. For example, commenting on the state of affairs at one Bulawayo cattle sale in March 1965, the *BC* reported that:

> More than 100 head of breeding stock was left unsold ... after a rancher had refused to accept rock bottom prices for his cows and heifers. Those that had gone under the hammer earlier were only fetching £22 to £24 a head ... despite the fact that many of the cows were in a good condition.[57]

By July 1966, the situation in Matabeleland had become so desperate that a significant number of ranches were faced with imminent "land collapse."[58] A staff member of an unnamed ranch in Matabeleland spoke for many when he complained bitterly that:

> I simply cannot understand it: when the ranch started they had absolutely no water development at all and yet they carried 100 000 head without any feed bill. Now, when we are fully developed for water we cannot carry 30 000 head without special feeding. This ranch's problem is typical of that of probably 90 per cent of the ranches in Matabeleland. It will get worse unless the government and ranchers are prepared to go

54. Debates in the Assembly, 10 March 1965, col. 535, Contribution by Mr. Goldstein.
55. *Ibid*., 2; About 100 South African railway wagon trucks had to be used in the "mercy lift of thousands of cattle." See also, *Cape Argus*, 15 January 1966.
56. *RPF*, No. 126, August 1966, p. 6.
57. *BC* 19 March 1965.
58. *RPF*, No. 125 July 1966, p. 25.

> into it with an ecological and scientific approach.... The spending of these millions [of dollars] on water development merely underlines the urgency for proper ecological appraisal before more people go bankrupt while the government and the civil service continue to bark-up the wrong tree. This bark is costing the taxpayer a great deal.[59]

The situation in the south of the country forced the government to take urgent measures to provide water facilities and to help in the massive evacuation of cattle by both road and rail from the south to the higher rainfall areas in the north, where pastures were better.[60] In order to save thousands of cattle threatened by drought, the government drew up a whole package of incentives ranging from transport subsidies; income tax relief; priority geographical surveys and bore hole drilling schemes to bonus payments on non slaughter stock sales and milk subsidies.[61] For instance, in 1966, a Farm Irrigation Fund was set up to enable ranchers to "secure low interest rate loans to finance irrigation undertakings."[62] Irrigation water was also made available at reasonable rates in order to facilitate diversification and intensification of production.[63]

Thus, with a vast array of such subsidies and increased financial backing from the government, the rebuilding of the national herd got underway in earnest in the north of the country. Because of the expansion of the Cattle Finance Scheme, the value and number of cattle held under the CSC's Cattle Finance Scheme increased from £949 000 or some 64 500 head in 1959, to nearly £4.7 million or the equivalent of 230 500 head by the end of 1966.[64] Taking advantage of the Cattle Finance Scheme commercial farmers in the higher rainfall areas increasingly began to fatten or raise beef cattle more than ever before.[65] In particular, those farmers who received breeding stock from the CSC under the same scheme enjoyed the option of purchasing such cattle outright after a period of five years.[66] Thus, the economic uncertainty created by sanctions in the country's tobacco industry and the viability crisis spawned by adverse drought conditions in the southern ranching districts combined to facilitate the 'cattlization' of the northern tobacco and maize belt. Until economic uncertainty and viability problems hit tobacco, white farmers in the

59. *Ibid*., pp. 25-26.
60. LEG. ASS. DEBATES., 2 March 1966, Col. 1186, Contribution by Col. Hartley Member of Parliament for Victoria district.
61. Ann. Rep. Sec. Agric. and Lands, 1966, pp. 1-2.
62. *Ibid*., 1971, 3; DEBATES IN THE ASSEMBLY, 2 March 1966, col. 1181, Contribution by Colonel Hartley.
63. *Ibid*.
64. CSC, Ann. Rep. and Acc.,1966; *RPF*, no. 141, November 1967, p. 27.
65. *Ibid*., 1965, p. 3.
66. AMA, Rev. Agric. Ind.,1968, 66-67; 1970, 144; CSC, Ann. Rep. and Acc.,1966, 3.

north had not really seen the need to produce cattle as a way of boosting falling incomes. In fact, "before UDI, most large tobacco farmers had [only] raised some beef cattle in a crop rotation sequence in which one year under tobacco was followed by three to five years under grasses."[67] However, with the imposition of production quotas after 1965, even the country's most successful tobacco 'barons' were forced to allocate more land to livestock production."[68] Thus, drought and sanctions helped to catalyze the de-regionalisation of beef production in the country.[69]

The above development marked an important step towards the full utilization of the country's grazing potential, especially in the north where land had primarily been used for the production of cash and food crops. Thus, the otherwise previously under-utilized resources of veldt and tobacco ley grazing came under increasing use after 1965. Using easy credit facilities under the Cattle Finance Scheme, tobacco farmers in the north were able to buy foundation stock for fattening through the CSC.[70] The shift in production resulted in a noticeable decline in the south's contribution to total national beef production. The result was that within a few short years, a significant number of white farmers in the north came to play a crucial role, especially in the beef industry's drive to increase the production of export-grade beef. [71]

The shift from tobacco to cattle was given further impetus by poor cash crop prices. [72] In particular, the favorable price of maize made it economic to feed and fatten cattle for export. [73] Table 1.1 shows the movement of the maize/beef price ratio and actually indicates that the price of beef rose much faster than that of maize.

67. NELSON, *Area Handbook*, p. 289.

68. *Ibid*.

69. Quoted in Ann. Rep. Sec. Agric. and Lands, 1965, p. 117.

70. CSC, *Ann. Rep and Acc., 1966*; *R P F*, No. 141, November 1967, p. 27.

71. While herds in Matabeleland shrank by some six percentage points from 29 percent to 23 percent of total national herd between 1965 and 1971, the total herd in both Mashonaland north and south expanded from 13 and 19 per cent, to 17 and 23 per cent, respectively, during the same period. Between 1966 and 1971, a total of 408 new producers entered the industry. Only three provinces of the Midlands, Victoria and Manicaland registered the smallest increases in herds between 1965 and 1971. For details on this point seeRhod., CENTRAL STATISTICAL OFFICE, Agric. Prod. in Rhod., 1964, Table 40 ; Ann. Rep. Sec. Agric. and Lands, 1965, Table 41; LEG. ASS. DEBATES, 2 March 1966, Col. 1175, David Smith, MP for Marandellas.

72. Ann. Rep. Sec. Agric. and Lands, 1965, 117 ; 1966, p. 46.

73. *Ibid*., 1967, pp. 58-59.

Table 1.2: Movement of the Maize/Beef Price Ratio, 1965-1971

Year	Maize Price (1) ($ per tonne)	Beef Price (2) (Cents per Kg.)	Maize/Beef Price ratio
1965	37.70	30.18	1 : 8.0
1966	31.22	33.99	1 : 10.9
1967	29.13	35.49	1 : 12.2
1968	33.45	36.22	1 : 10.8
1969	32.11	35.94	1 : 11.2
1970	38.44	35.76	1 : 9.3
1971	32.51	36.76	1 : 11.3

Note: (1) The final producer price of Class 'A' maize grain; (2) The CSC's average beef producer price for the year. The figures on beef prices also reflect changes in the grading pattern of slaughterings.

Source: AMA, Beef Situation and Outlook Report, 1982, Appendix 14.

By the late 1960s, beef had become a major product of all the districts in which tobacco and maize had been the predominant cash crops. For example, by May 1968, the Gwelo district in the Midlands districts, previously known as the country's third largest dairy producing area, had moved more towards beef production.[74] Because of the increase in costs of production coupled with stagnating maize prices, production in the fertile Mazoe Valley, traditionally the country's 'maize bowl', had also begun to shift from maize towards cotton and cattle.[75] Furthermore, by December 1970, most farmers in the Gatooma district which had experienced a post-war tobacco and maize boom, had also begun to specialize in cattle fattening.[76] The increase in the district's contribution to total national beef production was underlined by the commissioning of a modern and 'state-of-the-art' meat packing factory in the small mining town of Gatooma by the CSC in 1970. The new factory, which was capable of processing 500 carcasses inside one eight hour shift, could also convert an ox into various joints and cuts packaged in 70 lb. cartons in just 45 minutes.[77] Similar changes were also evident in the Lomagundi district situated in the north-western part of the country. The advent of UDI and the pressure of persistent droughts in Matabeleland, altogether "hastened the inflow of cattle into the district [with the result that] many [tobacco] farmers ... diversified into cattle." Thus, by 1971, the cattle population in the district had quadrupled to 100 000 head and the district had actually become one of

74. *RPF*, No. 147, May 1968, p. 11.
75. *Ibid.*, No. 157, March 1969, pp. 26-27.
76. *Ibid.*, No. 178 December 1970, p. 10.
77. *Ibid.*, pp. 12-13.

the country's major producers of some of the finest export-grade beef cattle in the country's beef industry.[78]

The expansion of the white-dominated capitalist sector of the beef industry contrasted deeply with that in the African peasant sector. The RF government's policy of shifting the burden of white survival on to the back of the African peasantry resulted in a drastic fall in peasant commercial production. For example:

> Over the period 1965-1970, production for consumption by African rural households did not increase per capita but remained at \$17.9 in constant prices while the income from sales index fell, in current prices, fell from \$3.31 a head to \$2.82. The share of sales of African total production was 18.4 per cent on average for the 1966-1970 period compared with 30 per cent for the 1955-1960 period.[79]

While the share of white capitalist beef production to total national food production increased rapidly, that of the peasant cattle sector's declined. Not only did cattle ownership in the African sector become "more unequal"[80] but also from 1968, and for the first time since the period before 1921, white capitalist ranchers owned more cattle than African peasants. The reversal in the cattle ownership pattern in the cattle industry as a whole was shown by the fact while the capitalist sector's share of the national herd increased from 47 per cent in 1965, to 53 per cent in 1971, the African cattle sector herd declined from 53 per cent to 47 per cent of the national total during the same period. The impact of the RF government's policy of cushioning 'white agriculture' from sanctions was also reflected by the visible change in the herd structure and the generally increased level of productivity of the capitalist sector itself. For example, the number of calves born each year rose steeply from just above 250 000 in 1965, to 561 000 in 1971. In some years, i.e. 1968-1970, the white owned beef herd expanded at the rate of more than ten per cent. The increase in the commercial herd was also explained by the increase in the number of bulled females from 579 000 in 1965, to 952 000 head in 1971.[81] Most of these bulled females stock were breeding stock brought in from Matabeleland to Mashonaland for the purpose of rebuilding the national herd following the droughts of the late 1960s. During the same period, the capitalist sector's off-take rate rose from 195 000 head in the period 1964/65, to 437 000 head in the period 1971/72.[82] From 1969 onwards,

78. *Ibid*., "Special Supplement on Lomagundi," July 1971, pp. 7-10.
79. CAS., "Zimbabwe", p. 18.
80. I. PHIMISTER, "Zimbabwe", p. 2.
81. AMA, Beef Sit. and Outl. Rep., 1982, Appendix 6.
82. *Ibid*., Appendix 7.

the slaughter cattle intake at the CSC's abattoirs jumped from 260 000 head to nearly 430 000 head or some 80 per cent of all cattle slaughtered in 1971.[83]

Problems

Although the increase in capitalist beef production after 1965 was impressive, there is no disguising the fact that the shift from tobacco was a very costly process. Poor weather, increased borrowing and an increase in costs of production combined to reduce the economic viability of settler farming ventures in general.[84] For example, in the first three years of sanctions, gross income per farmer in the capitalist sector in general declined from £3 304 in 1965, to £1 580 in 1968.[85] Because of the decline in profitability, the level of indebtedness in the capitalist agricultural sector in general reached new heights. An increasing number of white farmers were forced to rely on the government's offers of tax exemptions, cheap credits and loans to meet heavy capital expenditure required in increasing crop and animal production.[86] While a sizeable proportion of the increase in the borrowing of long term finance was associated with land purchase and other long term capital improvements, an increasing proportion of the overall debt in the sector arose out of short term borrowing usually meant to offset increases in the cost of inputs caused by sanctions.

Because of the pressure to shift emphasis away from Virginia tobacco, many white farmers were forced to concentrate on products whose economic returns were lower than those of tobacco. Such evidence as there is suggests that even beef production itself did not provide a viable alternative to tobacco. Although the price of tobacco fell from an average 60.61 cents per kilogram in 1965 to 55.00 cents per kilogram in 1972, the 'leaf of gold' still paid more on a cents-per-kilogram basis. This was in spite of the fact that between 1965 and 1972, the price of beef actually increased by the biggest margin in terms of current money values i.e. 37.8 percent over all other agricultural products, from 27.62 cents per kilogram in 1965 to 38.07 cents per kilogram by 1972.[87]

The profit margins in the beef industry were severely reduced by the price-cost squeeze. This resulted from a rapid rise in the general cost of inputs and the deferred returns inherent in beef production. For example, during the period under consideration here, the cost of veterinary products and other

83. *Ibid.*, Appendix 8.

84. J. HANDFORD, *A Portrait of an Economy*, p. 97; Ann. Rep. Sec. Agric. and Lands, 1966, 7; 1971, p. 3.

85. Ann. Rep. Sec. Agric. and Lands, 1969, 6.

86. Report of the Commission of Inquiry on Agricultural Input Costs, 1973, Chairman, D. S. Morley, p. 7.

87. *Ibid.*, 27, Table 1 (a).

related services alone rose by approximately 57.3 per cent.[88] This anomalous situation arose out of the fact that after 1965, beef became one of the most strictly controlled products in the country. Under the provisions of the Emergency Powers (Price Maintenance) Order of October 1965, all traders who included butchers were not allowed by the RF government to make an "Unjust Profit" on their merchandise,[89] by taking an advantage of the difficult economic situation created by sanctions. The effect of the Price Maintenance Order was to reinforce already existing government price controls in the beef industry. The only plausible explanation for more control measures was political. The RF government was desperate to create the impression in the eyes of the world that whites in Rhodesia could still enjoy an exceptionally high standard of living even in the face of punitive economic sanctions.[90] The extent to which it continued to dole out assistance to its beleaguered supporters was limited. In fact, while the level of debt in the commercial agricultural sector increased from an estimated \$70.7m in 1965 to \$122.1m in 1971, there was no corresponding increase in capital formation.

The trouble with Rhodesia's cheap beef policy however, was that it was implemented without regard to the efficiency of capitalist beef producers in the country. The truth of the matter was that most white producers in the beef industry were highly inefficient and were dependent on continuous doses of subsidies and the government's use of non-market forces or statutory measures to tip the economic scales in their favor. The cheap beef policy resulted in beef prices falling below costs of production, thereby reducing the profit margin of the country's cattle 'barons'. The result was that the relationship between the government and its 'cowboy' electorate was, ironically, not always free of tension. Indeed, in this respect, the period 1965-1971 presents an interesting twist of rich irony in the dynamics of white politics in colonial Zimbabwe. The fact is that the RF government increasingly came under fire from an irate farmer electorate, which had fully backed it root and branch in its bid for UDI.

What angered white ranchers and other farmers alike was that while many had the perception that the RF government was a "farmers' government"[91], its

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88. *Ibid*., p. 13.
89. *Ibid*., 22. An "Unjust Profit" was defined as an amount in excess of the highest price at which the seller sold goods during October 1965.
90. For example, potential immigrants were told of the splendid climate, good wages for whites, cheap beef, low prices and taxes, cheap labour, minimal inflation and good quality housing. For more details on this point, see Ministry of Information, Immigration and Tourism, *Rhodesia in Brief*, (Salisbury, 1971); C. B. METCALFE, *A Guide Farming in Rhodesia* (Salisbury, 1971), pp. 1-2.
91. *FM*, 13 February 1970, p. 461.

position on the economic plight of farmers seemed ambiguous at best. For instance, at a Farmers' Association meeting held in November 1971, Rudland, the Minister of Industry and Commerce, in response to complaints about "the chronic state of profitability," reminded those present that "his responsibilities were national ones and it was not practicable to deal with any particular area without regard to the overall consequences and the national interest".[92] Thus, many small producers who were struggling to keep their heads above water increasingly came to believe that the RF government was less sympathetic to the poorer members of the farming community in general. This thinking was further reinforced by Rudland's comments that government subsidies were just mere palliatives.[93]

The tension between white farmers in general and the RF government, especially at the end of 1960s, was so high that only the fear of black rule kept the farmers in line.[94] The worsening economic situation helped to undermine the integrity of the Rhodesia National Farmers Union itself. For instance, the smaller producers were threatening to pull out of the organization as they felt that "RNFU was [also] not interested in the problems of the small man."[95] In particular, militant ranchers from Matabeleland who were not happy about its inept handling of the issue concerning cheaper stock-feed, demanded that the Matabeleland branch secede from the RNFU.[96] Thus, by 1970, an "overall air of despondency",[97] prevailed over the capitalist ranching sector in general, with most of the criticism directed against the RF

92. Press Statement 728/71/DK, 4 November 1971.

93. *FM*, 11 November 1966, p. 439.

94. *Ibid*., 12 May 1967, p. 453.

95. *Ibid*., 26 May 1967, p. 635. Most of the influential figures in the RF government were the bigger wealthier farmers such as D. C. Lilford, a wealthy rancher and confidant of Ian Smith, who was regarded by many as the RF's principal financial backer and king maker. Barbara Field, the widow of Winston Field, however, argued that the R F's largest sums came from the tobacco 'barons' of Marandellas. For more detail on this see ORAL/FI 2, pp. 19-20; Other wealthier ranchers in the RF included Smith himself, who owned a ranch in Selukwe, W. J. Cary, a Midlands rancher and Brigadier A. Dunlop, a rancher from Que-Que, just to mention a few. For more detail on this point see ORAL CA/4; A. DUNLOP, *The March of Time*, (Salisbury, 1977).

96. *RH*, 30 April, 5 November 1971.

97. A.J. MACKENZIE, "Commercial Farmers," p. 153.

government's cheap beef policy, which many blamed for keeping producer prices down.[98]

What angered most producers was that all profits made by the CSC went towards the subsidization of domestic beef prices instead of benefiting the producers themselves. It was the use of what amounted to producer money either to smoothen out any "decreases in prices payable to producers, or excessive fluctuations in prices to consumers"[99] which angered small cattle producers, most of whom were already reeling under the burden of heavy debts, effects of drought and increased costs of production brought about by economic sanctions. In 1966, D. Smith, an MP from Marandellas district, questioned the wisdom of the government's cheap beef policy when he noted that:

> The producer supplies to the CSC and the Commission buys at a price well in excess of what the Commission sells to the consumer... It is not good business and I do not see any sense in it. The money must come from somewhere. From where is it being subsidised? The producer can supply carcasses to the CSC and receive X [pounds], and buy it back cheaper from the butcher. There is something wrong in the system.[100]

In the same year, Colonel Hartley, an MP for Fort Victoria, argued that while the government's income tax incentive measures on inputs such as fencing, dams, farm machinery and other farm developments were practical, they would only benefit those who were already making a taxable profit. For instance, Hartley noted:

> I wonder if an examination has yet been made by the Ministry [of Agriculture] as to how many cattle breeders today in the commercial sector are making the sorts of profits which their capital investment should justify [being taxed] and how many as a result of that profit are incurring taxation? I have heard it stated in cattle breeding circles that as many as 60% of cattle breeders are in the red.... We hear very often from Honourable Members who sit on the opposition benches that this is a farmer's government and it is at pains to keep the farmers happy ... but, I would remind Honourable Members that it will avail nothing to the

98. For more details on this, see for example, R N F U, Rep. Ann. Congr., 1970, 33-37, 43-49; HA/1/17/7/2, Papers of George Hartley, a former RF-elected Speaker of the Legislative Assembly and later Senator; Mackenzie, "Commercial Farmers," esp. Chapters. 2-3.

99. All profits made by the CSC were put into a Stabilisation Reserve Fund. By 1965, this Stabilisation Reserve had swelled to approximately 650 000 *pounds sterling*. For more details on this point, see CSC, Ann. Rep. and Acc., 1965, pp. 3-6.

100. DEBATES IN THE ASSEMBLY, 2 March 1966, col. 1173-74, Smith, MP for Marandellas.

> economy if government is to pour in assistance at the top while broken down farmers and ranchers drain out at the bottom.[101]

Hartley concluded by calling for a price increase of 250 percent for the revival of the breeding side of the beef industry.[102] During the same debate, another MP, Mr Cary, also attacked what he saw as the government's tendency to follow "calamity measure[s]" which were not in the long-term stability of the industry already suffering from low profit margins of between two-and-a-half and five per cent.[103] While independent sources actually put the average economic returns per unit "somewhere between R$5 and R$7 per animal"[104], the RNFU itself admitted that net profitability in the beef industry at that time was actually nil.[105] Because of lack of profitability, the Rhodesia Cattle Producers Association estimated that at least 80 per cent of Matabeleland ranchers were bankrupt.[106]

In particular, the situation in Matabeleland was given an added twist by the fact that "agricultural operations ... require large amounts of capital which [were] only available at rates in excess of profit margins."[107] Only those ranchers who had sufficient capital to paddock and water their animals and employed sound managerial practices, but obviously at a cost to themselves, were able to survive extended droughts.[108] Thus, the average small rancher, usually with less than 50 per cent equity in his enterprise, had enormous difficulty in raising development capital.[109] The Matabeleland rancher's position was made more untenable by the high price of grain, which could not be produced in loco under dry land conditions there.[110] The only producers who managed to make a profit were the larger company owned ranches, which could mobilize development capital better and had larger herds.

Because of the unprofitable nature of beef production in the late 1960s and early 1970s, producer confidence sagged to an all-time low. Because of this, the market for young breeding stock collapsed thereby hitting the breeding

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101. *Ibid*., col. 1178-80, Colonel Hartley, MP for Victoria.
102. *Ibid*., col. 1182.
103. *Ibid*., col. 1202, Contribution by Mr Cary.
104. *FM*, 8 May 1970, p. 105; E. G. Cross, "Zimbabwe: Strategies for Economic Development and Equity", *Symposium on Zimbabwe's Economic Prospects*, (New York, 1980), p. 14.
105. *FM* 19 February 1971, p. 586.
106. *Ibid*.; Cross, "Zimbabwe: Strategies for Economic Development and Equity", p. 14.
107. An Agro-Economic Survey of South-Western Matabeleland, 1972, p. 21.
108. *Ibid*., p. 23.
109. *Ibid*., p. 33.
110. *Ibid*., p. 22.

side of the beef industry badly.[111] For instance, in 1970, "it was estimated that as much as 30 per cent of [breeding] cattle on offer at times remained unsold [while] those that changed hands did so at prices well below the CSC's maximum permissible ... level introduced when demand was keen and prices were high."[112] Many cattle breeding properties became severely overstocked as ranchers were forced to hold their stock for longer than was necessary. In order to stave off a looming cash flow crisis and cut losses, breeders were forced to send thousands of breeding cows for slaughter.[113] Because of this, the percentage of bulled females between 1969 and 1971, fell from 73.4 per cent to 70.6 per cent, respectively.[114] Thus, after experiencing rapid growth in the first three to four years of sanctions, the industry's gains were once again eroded by low prices and increased costs of production at least by the start of the 1970s.

Conclusion

It is clear from the foregoing that South Africa played a major role in weakening sanctions against Rhodesia's beef industry. There were, however, limits to what South Africa could do to help Rhodesia fend off the effects of economic sanctions completely. Not only did Rhodesia's own attempts to make the African population shoulder the burden of sanctions boomerang on itself, but the profits generated from illegal beef exports proved too little to satisfy the country's large class of small under-capitalized ranchers on whose political vote the RF heavily depended. On its own, the Rhodesian government was forced to spend money it could ill-afford on subsidies and loans to cushion them from the impact of sanctions. Still, and as it turned out, nothing much came out of this strategy. The political irony of the situation was that sanctions forced the RF government into the calamitous and thankless task of doling out millions of dollars in subsidies in order to keep its increasingly restive white supporters on the land. The situation was made worse by the RF government's cheap beef policy which, combined with the effects of economic sanctions, made beef production unprofitable. The net result was a reversal of the gains made during the first five years of sanctions and, most importantly, a widening political rift between the RF government and white farmers especially those from Matabeleland. It was clear that beef could not replace tobacco as the largest foreign currency earner in the

111. Report of the Commission of Inquiry into the Zimbabwe Beef Industry, 1982, p. 17.

112. *Ibid*.

113. *Ibid*.; AMA, Production Potential of the Rhodesian Beef Industry (European Areas), p. 2.

114. AMA, Beef Sit. and Outl. Rep., 1982, Appendix 6.

agricultural sector. Because of many middlemen involved in sanctions busting Rhodesia's secret beef trade was sustained at an increasingly higher cost to the beef industry itself! The "imposition of sanctions created many trading problems for us" admitted Ian Smith, the Prime Minister himself, "We find that we are compelled to export at a discount and import at premium. The result is that we lose out on both transactions. This has the effect of reducing profit margins internally, and at the national level, it has an adverse effect on our balance of payments and foreign exchange reserves."[115]

Opsomming

'n Beoordeling van die impak van ekonomiese sanksies op die Rhodesiese beesboerdery, 1965-1972

In die beskrywing van die oneffektiwiteit van sanksies word baie aksent op die mite van 'Rhodesiese vindingrykheid' geplaas. In die artikel word aangevoer dat die 1964-handelsooreenkoms baie gedoen het om Rhodesië daartoe in staat te stel, om deur middel van Suid-Afrika, sanksies die hoof te bied. Verder word gelet op die anomalie van Suid-Afrika se rol in die sogenaamde redding van die Rhodesiese beesvleisbedryf. Daar word beskryf hoe die onwettige uitvoer van beesvleis deur die bemiddeling van Suid-Afrika plaasgevind het. Deur die ooreenkoms van 1964, asook die samewerking van Suid-Afrikaanse verbintenisse op die kontinent, het Rhodesië daarin geslaag om genoeg buitelandse kapitaal te verdien sodat landbou-diversifikasie kon plaasvind. Rhodesië se pogings is egter later verydel deur die ekonomiese en politieke krisis wat deur sanksies meegebring is.

115. Statement by Prime Minister, Ian Smith to the House of Assembly, Quoted in *RH*, 17 April 1973.