

AFTER THE ARUSHA DECLARATION

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Many things have happened since our last meeting, and it is the job of this Conference to examine the most important of them in the light of the objectives we set ourselves when we adopted the Arusha Declaration. For that Declaration was a commitment to the principles of self-reliance and socialism. It did not by itself bring either of these things; only hard thinking, and hard work in the right direction will do that. It is important that we should be very clear about this fact. The Arusha Declaration did not cause miracles. It did not make the crops more fruitful, nor the rains more regular. It did not make everyone wealthy, nor change the level of our education. It did not change the habits of mind we have grown up with, nor create any other miraculous changes in our condition.

Our acceptance of the Arusha Declaration was like a young Christian's confirmation; it is a declaration of intent to live a certain kind of life and to act in a certain kind of manner for desired ends. We have no more become a socialist country because of the Arusha Declaration than a young boy becomes a good Christian or a good Muslim by the act of dedication. The sincere act of dedication is important; but much more important are the actions which follow during his life. The question before us, therefore, is whether we have started to make the right decisions, and the right plans, and whether we have begun to act in a manner which will in time build socialism and self-reliance in Tanzania.

First, let us look at this question of self-reliance, for I believe that this has been widely misunderstood—by ourselves more than by others. Some of our people have spoken and acted as though it meant self-sufficiency in manpower and financial resources. It means nothing of the kind. We would be extremely silly if we imagined that the Arusha Declaration had caused us to have more qualified doctors, engineers, teachers, administrators, and so on, so that the Development Plan target of self-sufficiency in skilled man-power by 1980 had suddenly become irrelevant. Self-reliance does not mean that, for self-reliance is not a silly thing. Let us therefore be very clear what we do expect now, and what the policy of self-reliance means in the immediate future, and what it does not mean.

First, it means that we must make maximum use of the resources which we have. We want citizens to be given priority in every field as soon as they are capable of doing the job efficiently. And certainly we must have Tanzanians making policy; Tanzanians must control our country. But this is not an issue now; we have already achieved that. The question at issue is whether we must at all costs have Tanzanian citizens in every executive position. And the answer we give must be a realistic one if we wish to fulfil our ambitions. For the truth is that we do not yet have enough qualified and experienced Tanzanian citizens to do all the jobs which have to be done if the policies we Tanzanians have decided upon are to be implemented.

The question, therefore, is whether we are prepared to make our plans wait until we have educated and trained a Tanzanian for every job which has to be done. And we long ago decided that this would not only be absurd, it would also be unnecessary. An accountant is an accountant, whether he is a citizen or not; a doctor is a doctor; a manager is either efficient or not efficient. What really matters in relation to such people—whether they be citizens or not citizens—is that they loyally and efficiently carry out the decisions made by our Government and our people.

To employ an inefficient person just because he is a Tanzanian, when the job he has to do is crucial for our development, is not self-reliance; it is stupidity. When we or members of our family fall ill, what we want is a competent doctor, not necessarily a citizen. When we have decided to build a bridge, what we want is a competent engineer who will be able to ensure that the bridge will be safe and effective for its purpose.

The questions we need to ask ourselves are these: Firstly, is this job essential to our plans? Secondly, do we have a citizen who is qualified and has the necessary experience for this particular job? And if there is no qualified citizens available, thirdly, can we obtain a qualified non-citizen who will be accountable to us for his loyal and efficient carrying out of the job? And fourthly, what plans do we have for the training of citizens to do this kind of work in due course? Then, if we decide that the job is essential, and if there is no qualified citizen available to do it, and if a non-citizen can be obtained, let us pay a non-citizen to do the job for us. By doing this we might, for example, make it possible for a village in an outlying area to become self-reliant because it can sell its increased production and thus support improved conditions for its members. If we do not allow this bridge to be built simply because we have no citizen available to do it, then the village will remain on a low level and without any real possibility of becoming a self-reliant, prosperous community.

But in this country we also have a second thing which we really desire of the people working for us. Ideally we also need socialists in every job—which is not necessarily the same thing as wanting a citizen for every job, because not all Tanzanians are socialists. But if a competent doctor also has socialist attitudes, then he is surely an especially great asset to us. And the truth is that the international reputation of Tanzania is such that many socialists from other countries very much want to come and work with us. One day in the future Tanzanian socialists may be able to assist other socialists to achieve their objectives. Today we should be ready and happy to welcome socialists from other countries who are ready to help us achieve our objectives. And we should remember that many socialists come from capitalist countries; it is sometimes the very fact that they cannot contribute to socialist objectives in their own country which makes them enthusiastic about working with us.

What all this means is that if we are to make progress towards the implementation of our policies of socialism and self-reliance, we should be ready to use all the people who are able to contribute towards these

objectives. There are certain jobs which have to be done by citizens. Those we have now filled. There are other jobs which have to be done, and done now or in the next few years, whether or not we have enough citizens or enough socialists. Let us get these jobs done instead of indulging our prejudices or our generalised assessments of people by skin colour or country of origin.

There is another aspect of our self-reliance policy which has also been misunderstood by some people. For the Arusha Declaration does not say that Tanzania refuses outside aid, or that there is something wrong in receiving it. The Declaration says, and I quote: "We are not saying that we will not accept, or even that we shall not look for, money from other countries for our development. This is not what we are saying". What the Arusha Declaration says is that the only group of people we will rely upon is ourselves; we will not organize our country and our life in such a way that there will be no development unless we get foreign money. And most of all, we have said very firmly that we shall not bend our political, economic or social policies in the hope of getting overseas aid as a result. But if we get outside assistance to carry out purposes decided by us, then we shall welcome that assistance. Thus we welcome the Chinese decision to help with the Tanzam Railway. Thus we shall welcome an American decision to help build our road from Dar es Salaam to Tunduma.

In fact, self-reliance is not really against anything or anyone, unless there are people who want to re-colonize us. Self-reliance is a positive affirmation that we shall depend upon ourselves for the development of Tanzania, and that we shall use the resources we have for that purpose, not just sit back and complain because there are other things we do not have.

We are saying to ourselves that we are going to build a self-reliant socialist society. We are saying: "Here is land, here we are; this is the amount of knowledge, skill and experience we have; and this is the amount of money we have to spend on supplementing our skill and knowledge or on buying more advanced machines. Now let us get on with it". And we are saying to other people: "This is what we are doing; if you want to help us, do this and this and this, for that is what we need most at this stage". The really important thing for us to be clear about is that we are not saying to other people (and now, after the Arusha Declaration, we cannot say): "Please come and develop our country for us, and if you insist we will stop being socialist, or believing in equality, or being anti-colonial". These things we will never say. We do not believe that anyone else can develop our country for us and, even if they could, we would not be willing to give up the determination of our own policy. It is we ourselves who will develop our country. We may decide to spend some of the resources we have, or the products of those resources, on buying imports of skills or machines from abroad. But our real emphasis will be on using the skills that we already have, and on developing the natural resources that we now possess.

In our situation this means that the emphasis of our development will be in the rural sector, and particularly in agriculture. Further, it means that we shall modernise within our resources. But we must modernise.

In many parts of the country we are beginning to follow the advice of our agricultural experts. But our major tool, the jembe, is too primitive for our present day needs. We must now abandon it and replace it with the oxen-plough. We cannot make progress by waiting until every peasant is able to possess his own tractor which he can drive and maintain. Indeed, if we wait for that we shall never leave the hoe behind us, for our present methods are too inefficient ever to produce the wealth which would enable us to buy tractors for all parts of the country, or to train the people to drive and maintain them. We are not ready for the tractor, either financially or technically; but we are ready for the oxen-plough. We have the animals, and the ploughs can be bought cheaply or even made here. They are simple tools which our peasants can quickly learn to use, and they are appropriate for the kind of small unit farming which is involved in the ujamaa villages to which we aspire, or even to the amount of land an energetic individual peasant family can cultivate.

We have to modernise our farming if we are to improve our standard of living. But we cannot modernise by buying tractors for everyone, because we do not have either the necessary money or the necessary technical skill, or the social organization which would make such implements economic. We have to modernise by utilizing to the full the tools which are within our capacity to buy and to make; which are sufficiently simple for us to use without trouble and breakdowns; and which are appropriate to our present and near future social and economic organization. And this we can do. The oxen-plough, the oxen-cart, the use of the donkeys which now eat our grass without working—all these things can make a tremendous improvement in our output and therefore in the lives of our people. We must move to these techniques with the maximum possible speed. Then, when we have effected this revolution all over the country, we shall be able to move from the oxen-plough to the tractor. But that time is not yet; now we have to concentrate our attention on the immediate objective.

This does not mean that we shall have no tractors or modern machinery working in Tanzanian agriculture. We shall have these things to deal with special problems, or working on large, highly organized State farms where there is all the work discipline of a modern factory. But they are not appropriate at the present time for the majority of our farming units; and in any case we cannot afford them, nor could we use them in such a way as to justify their expense.

For let us be quite clear. Self-reliance is not some vague political slogan. It has meaning for every citizen, for every group, and for the nation as a whole. A self-reliant individual is one who co-operates with others, who is willing to help others and be helped by them, but who does not depend on anyone else for his food, clothing or shelter. He lives on what he earns, whether this be large or small, so that he is a truly free person beholden to no-one. This is the position of the vast majority of our people now; it must be the position of all of us.

For a community, self-reliance means that they will use the resources and the skills they jointly possess for their own welfare and their own development. They will not take the attitude that the Government, or

Local Council, or anyone else, must come and do this or that for them before they can make any progress. There will be things for which outside assistance in the form of skilled advice or a capital loan is necessary, but they will realize that this has to be paid for, directly or indirectly, by them and their fellow citizens. And outside capital assistance, in particular, will only be requested after all local development with local resources has been undertaken, and only to the minimum extent necessary to effect their purposes.

For the nation self-reliance will come if the individuals and the different communities are self-reliant, and if the citizens altogether recognize that their way forward must be determined by their joint resources and their common efforts. It means choosing the path to development which does not depend upon outsiders. It means a recognition of international involvement and a willingness to give and to receive help. It means a recognition that outside assistance can help to speed up development along the path which we have chosen. But it also means that the path itself must be one which is within our resources.

The war against exploitation.

Of course, self-reliance was not the only point of the Arusha Declaration. The Declaration also declared war on exploitation of all kinds. The nationalisation measures and the Government action to secure majority control in major economic enterprises was one part of the action which has been taken, and has to be taken, against exploitation in Tanzania. Another concern of the Government for many years has been the exploitation of wage-earners by their employers. The minimum-wage legislation, the severance pay legislation, and many other Government and NUTA actions have removed the worst examples of this kind of exploitation, although the problem of enforcement still remains in many cases. But the problem which is now worrying many of our people is the prices of the goods we wish to buy in the shops, and the quality of those goods.

Government has established a National Advisory Board on Price Control as a major first step towards dealing with this problem. But we will be making a very big mistake if we just treat this problem in a negative fashion. The distribution of goods, whether they are made in Tanzania or imported, is a service which has to be paid for. It is no use our establishing textile factories in Dar es Salaam, Mwanza and Arusha if the people of Sumbawanga cannot get the cloth in their district and from their village shops. Someone has to arrange to transport that cloth and to hold it in a shop ready for the day when the peasant has some money and needs to buy new cloth for himself or his wife. This distribution service is just as important to the peasant as the actual production of the cloth. It cannot be handled by the State, and it is no use our laying down rules and regulations which are so restrictive that no-one can earn his living by transporting the cloth to the outlying areas and selling it there. Yet at the same time we have to take account of the fact that the cost of selling this cloth is very different in Mwanza from what it is in Sumbawanga. There is no reason why a shop-keeper in this town should

be allowed to charge the same price as the man in the South-West of our country—unless he is somehow being made to subsidize the extra cost of transporting locally-made produce to far distant places.

What I am really saying here is that price control is not going to be easy. If we simply lay down hard and fast rules for everything, we may finish up with the farmer being unable to buy the things he wants at a convenient place—which is certainly no service to him, and is therefore not the way to prevent him being exploited. The best way to deal with this problem is for people to establish their own co-operative shops, controlled by them, where they can see the real cost of obtaining something at a convenient place. Then they will be able to ensure that they are paying the costs of distribution, but are not paying for certain people to live in idleness at their expense.

If we do this we may well find that prices in many areas do not come down very much. In 1962 the Government paid for an enquiry into the distribution business; we wanted to see how far it was possible to give better and cheaper service to our people. The conclusion of this enquiry was that, although there are some pockets of exploitation, especially where one shop has a local monopoly, or where credit is given, Tanganyika had, on the whole, what they called a "low cost distribution system".

However, we were not satisfied that nothing could be done, and we tried to establish co-operative wholesale and retail shops by Government initiative. Then we discovered some of the problems for ourselves. Many of these co-operatives failed and the shops have had to be closed. The most important reasons for their failure were, in the first place, inexperienced and poor management, and in the second place, the high costs involved in paying reasonable wages to the shop workers. For the truth is that most of Tanzania's private shops, both African and non-African, are family businesses, where all members of the family share in the work and then, as a group, share in any profits. They have no fixed wage, and often earn less than they would if they had to receive the Government fixed minimum wage.

Yet this is no reason for giving up—because some exploitation does still continue. Price control for certain basic commodities is both necessary and practical, and it will be enforced—usually on a regional basis. But in addition, we should look again at the lessons of our experience in co-operative trading and see if we can make a fresh start. Previously these shops were started on Government initiative; they did not spring from the local community, so that the people felt neither loyalty to them nor confidence in them as weapons against exploitation. But suppose a village community, or the people in a group of streets, decided to start their own shop on an ujamaa basis; then it would really be their "own" shop to which they had a loyalty. They could jointly decide what type of things they wanted to be available and they could arrange to share in the work, the expenses, and the profits of the shop they were using—just as we are suggesting they should do in relation to ujamaa farming.

If such shops start small, and deal first in the basic requirements of their area, without putting their prices too low while they are building up their capital, we may find that a co-operative retail system can grow!

and be of great service to us. This will only happen, however, if the shops spring out of the people; they cannot be organized for the people by the Government or anyone else. This is, in fact, another case where self-reliant development is the only practical way forward. And even if it does nothing else, the possibility of competition from an ujamaa co-operative will certainly discourage private shops from exploiting their customers. For it is not enough simply to say that the price of such and such a commodity is too high. We should be able to say that our co-operative shop sells this commodity at so much; therefore, if the shop next door charges more, its price is too high.

There is another way in which we can reduce the price we pay for the goods we buy in the shops. This is by moving away from the practice of buying almost everything on credit. Let there be a stated price of goods, and let that be a cash price, with the extra cost of credit clearly stated. Then our people will see how much it is costing them to borrow money from the shop-keeper in order to buy his goods—which is what we are doing when we buy goods on credit. In most cases there is really no need for credit buying. We buy on credit because we do not organize our income properly, or because we do not save enough money at the beginning of the month, or at the end of the harvest, to meet the kind of irregular payments which all of us get involved in at some time—things like school fees, wedding costs, burial costs, etc. This is a question of self-discipline. Organizing one's income properly is, of course, a particular problem for farmers, who receive money only once a year—when the crops are harvested and paid for. But such people, as well as wage-earners who are trying to buy some more expensive article, have a solution which they can develop for themselves. The Savings and Credit Co-operative Societies (Shirika za Akiba) can be of very great service, both to the individual and to his local community. Many of these Societies already exist in Tanzania, but new ones should be started for they can help us very much in our individual and national drive towards self-reliance. Government has ten full-time workers in the Ministry of Agriculture and Co-operatives who are trying to encourage and help these Societies; I hope that all TANU leaders will learn about them and see how and when the people in their area can be helped to establish them.

What all this means is that there are many different ways of working against exploitation in our country; and often the least effective are those which simply try to control or restrict the activities of other people. For I say again, it is not enough just to accuse our shop-keepers of exploitation. Instead, we have to organize ourselves for our own benefit, and then our shop-keepers will realize that it is to their own best interests to give honest service. The few who really try to abuse their position can then be—and will be—dealt with firmly by Government and people.

Responsibilities of Leadership.

In this field, as in so many others, what is called for is good, honest leadership from people who are really committed to the welfare of the citizens of Tanzania. And the kind of honest leadership which is required is not necessarily the noisiest. If a leader can encourage the people and help them to understand problems and policies by his constructive

oratory, that is a very good thing. But it is not entertainment that our people want and expect from their leaders; nor do they want a lot of false promises about a utopia which someone will bring to them; nor do they want to listen to their leader abusing some person or some group which he has set up as a scapegoat for the problems the people are experiencing.

The leaders of Tanzania—and that includes everyone present at this Conference, as well as many other people—have to show, in both actions and words, that they recognize one central fact. Leaders cannot do anything FOR the people. We can only provide the necessary information, guidance and organization for the people to build their own country for themselves. Leaders of Tanzania should not be making promises; we cannot fulfil them for others. We should not be complaining; complaints help no-one. We should know the facts of Tanzania's situation, understand them, and give guidance to the people in the light of them.

This is essential. Leaders have to know the reality of our present position, and then show the people how, by our own efforts, we can change our present poverty into something better. It is no use pretending that certain facts are not facts; it is no use talking about "alleged" low prices of sisal, etc., when the low world price of sisal is, and has been, a fact for many years and a fact which has very important implications for the plans we should be making. Bad things do not disappear because we pretend they are not there, or because we accuse other people of causing them. We cannot run this country by complaining, and we have been entrusted with the responsibility of running this country. Complaining that we are poor, or that world prices are low, is as useless as complaining that the rains do not fall. We have to assess our present situation—which includes many things beyond our control—and work out plans to change the situation and to counteract the effect of the things we cannot alter. Then we have to execute our plans by hard and intelligent work. There is no other way. There is no short cut.

Our people are poor. That is a fact. It is also a fact that every human being finds it easier to see the greater wealth or the greater privilege of other people than he does to see his own advantages. It is not part of a Tanzanian leader's duty simply to encourage the people in envy, or to turn that envy into hostility or hatred against others. But he does have to make it clear to the people that he is not himself among a group which is unfairly privileged. It is for this reason that the leadership qualifications have been laid down in the Arusha Declaration.

For at the very least it must be clear to our people that no leader will become wealthy by abusing his position or by exploiting others. They must know that any wealth he gains will be from wise use of the payment the people make to him in return for his service. But even this is not enough. Leaders must show the way to the development of our country and our people. If ten hunters have trapped a rabbit they are foolish idiots, wasting their energies, if they stop their hunting in order to fight over the distribution of the meat on that rabbit. They would do better to concentrate their energies on working out a better system of hunting so that they can increase the amount of meat available to them all.

That is similar to the position in Tanzania. This is a poor country now. We do not produce enough wealth for all of us to lead a decent life; we are like the ten hunters with one rabbit between them. There is no getting away from this fact. Neither is there any other way for us to increase our wealth except by producing more. In particular we must realize that it is no good our simply increasing the amount of money in the country. Government could easily order the Bank of Tanzania to print more notes and to give everyone a present of so many Shilling notes every year. But this would not increase our wealth in the very slightest. The result would simply be chaos.

To get this truth quite clear in our minds, let us take a simplified example. Imagine a village of ten people in the Rufiji Delta which is cut off by floods. Between them these people have Shs. 1,000/- in notes. They also have one bag of rice. If the Government uses a helicopter to drop another Shs. 1,000/- in notes to these people, will they be any less hungry, less cold, or less in danger from the water? Or if the people decide to make a fire and to burn all the notes in the village, will they be any worse off? But suppose the Government drops more rice from the helicopter. In that case the people will have more to eat, quite regardless of the number of notes which they have between them. On the other hand, if there was an accident and the bag of rice was destroyed, then the people would be in serious trouble, regardless of the fact that they still had all their Shillings notes. For they cannot eat notes, nor use them as shelter. Money is not wealth.

Of course, it would be a different situation if, in this isolated village, one person out of the ten managed to get hold of the extra Shs. 1,000/- which the Government dropped by helicopter. The total wealth of the ten men would not be any greater, but this particular individual would be able to get more of the rice for himself. The other nine would therefore get less rice because—let me say again—the amount of rice available would not have been increased by the importation of more money to this isolated community. If the lucky man getting all the extra money happened to be the poorest man in the village, then the effect might be that the distribution of the wealth (that is, the rice) was better as a result of the extra money coming in. In such a case the extra money would have been a substitute for a joint decision by the ten people to distribute the rice fairly. But if the man who got the extra money was already as well off as the majority, or even better off, then nothing at all good or socialist would have come out of the extra money being brought in.

Our Wealth.

It should not be necessary for TANU leaders to understand statistics before they realize that Tanzania is poor. We see, and we live with poverty. Yet sometimes our people get confused by the sight of a few individuals driving private cars, or by figures which the Minister for Finance talks about during the Budget, and they begin to believe that somehow and somewhere there is a lot of wealth in this country, and that the poverty they see around them is due to unequal distribution, or to exploitation, or even that the poverty does not really exist!

Let me therefore state, once again, what the real position is. If all the wealth of all the people in this country were put into one big heap, and then divided equally between all the people who live in Tanzania, each person would receive goods to the total value of Shs. 525/-. That is all he would have for a year. Not a month, but a year. This means that the total wealth of the country is valued at about Shs. 5,455,000,000/-. Out of that amount, nearly 10½ million people have to eat and clothe themselves; we have to run our schools, our hospitals, maintain our roads and our houses, pay for our administration, pay our Army and Police Forces, pay for our Government, and do every other single thing which we want to do in this country. But in addition, it is from this same amount that we have to invest for a better life in the future by building new roads and communications, by building factories, houses, new schools, and so on. In fact, the total wealth available to be spent by all the people of Tanzania during one year is much less than the amount which the Government of the United States of America spends on its military forces in one week. (This should be remembered by every well-off Tanzanian who likes to live in luxury).

However we divide our wealth between us, we are a poor nation. There is no getting away from that fact, and anyone who pretends otherwise by promising the people riches is trying to fool the people, and he should be condemned.

This does not mean that the distribution of our total wealth between different groups of people is unimportant. Of course it is very important, and one of the points made in the Arusha Declaration is that there must be greater equality of incomes between the different people of this country. All that I am concerned to stress here is that the amount which we have to distribute is small. We are like the ten hunters with one rabbit, whom I referred to earlier. Our major pre-occupation must be to increase our wealth, and the amount of time and energy we spend on squabbling over what we now have should be very limited indeed.

But what have we in fact done, so far, as regards the distribution of incomes in Tanzania? And what are our plans for the distribution of the wealth we create—how do we propose to divide it fairly?

First, ever since independence we have been gradually making our taxation system more progressive, which means that the higher your income the greater the proportion of it you pay in taxes. Thus, for example, there are only ten people in our whole country who have an income of Shs. 300,000/- or more in a year, and these people each pay more than two-thirds of that amount to the Government in direct taxation. After that the luxury goods they want to buy are also very heavily taxed. Of course they remain wealthy in comparison with the rest of us. But they are nothing like as wealthy as they would be if they lived in almost any other country of the world. And people with much lower incomes than that also feel the effect of our heavily progressive tax system—and quite rightly. Any senior civil servant, any Minister, or any other highly qualified worker in Tanzania will be willing to give you evidence of this, even if he is too much of a socialist to complain about it! Taxation policy is, and will be, a very important and very effective way of controlling income differentials in this country.

Second, we have put a stop to any future large-scale exploitation of our workers and peasants through the private ownership of the means of production and exchange. In February we rounded off a number of smaller measures which restricted opportunities for exploitation of this type by nationalising the banks, the insurance business, a number of large firms involved in the food industry, etc. We cut these straws. At the same time we took control of a number of other businesses; in other words, we put our finger on the straw so as to control the amount which goes through it.

Thirdly, we have put a stop to wage and salary increases at the top levels and have even, in the case of people working directly for the Government, succeeded in cutting their incomes. Our job now is to make sure that the top wages of Tanzanians outside the Government sector also get involved in this high-level freeze. For however much our total national income is increased by our efforts in the coming years, it is highly unlikely that the increase will justify any addition to the top salaries in the foreseeable future.

But the number of people involved at this level is very small indeed; probably not more than 35,000 individuals get enough income to be liable to pay income tax, much less surtax. The real problem in Tanzania is not redistribution between the rich and the poor, but a fair distribution of wealth, and of contribution to national expenses, between the very poor and the poor, between the man who can barely feed himself and the man who can barely clothe himself. Yet even so, considerable improvements have been made for that group of our workers whose incomes can be fairly easily influenced by Government and by their own direct action—which is the wage-earners. The cost of employing a worker in Tanzania has more than doubled during the six years since 1961. Cash wages have increased considerably in most cases, and fringe benefits like leave, severance pay, employers' contribution to the Provident Fund, and so on, have all increased the real security and income of the wage-earner.

The incomes of the peasants, however, are not so susceptible to Government action. By encouraging the Co-operative movement we have tried to avoid the exploitation of the peasants by middle-men; we are now engaged in trying to improve the efficiency and effectiveness of the Co-operative movement so as to ensure that one type of exploitation does not get replaced by another—the exploitation of inefficiency and bureaucracy. Yet for the most part, the peasant's income in this country is determined by his own hard work, combined with the effect of the weather and the world prices of the crops he sells. Government can, and does, help the peasant by teaching new methods of planting, by making better seeds available, and within our resources by providing credit with which he can buy better tools or fertilizers, etc. But neither Government nor peasant can control the weather; nor can either of us control the prices which our exports receive in the world market.

It is true that some of the crops produced by our peasants are consumed within Tanzania, and that for many of these the Government fixes the price. This does not mean, however, that the Government can increase

the wealth of our people by increasing the prices of the food crops. If, for example, we set a higher price for maize, what would be the effect? The result would be that the wage-earners who now buy the maize would have to pay more out of their existing incomes in order to eat the same amount. Their real incomes would thus have gone down. In other words, by increasing the incomes of the farmers, we would be decreasing the incomes of the wage-earners. The wage-earners would then naturally demand an increase in their wages on the grounds that the cost of living had gone up. If that demand were granted, the effect would be to increase the cost of the things the wage-earners produced—things like shirts, shoes, and so on, which the peasant buys. So in the end neither the peasant nor the wage-earner would be better off; both would have more money, but neither would have more goods than he had before.

There is no way of improving our incomes until and unless we improve our output. This can be seen very easily in the case of the peasant, because he works on his own land and owns the crops which he grows. He may complain about the prices he receives, just as he complains about the weather. But he can always see the connection between his output and his income. Whatever the price, if he succeeds in growing 12 bags of maize on an acre, he will be richer than if he only grows 4 bags of maize on that acre. Anything which the Government can do to contribute to the better yield on his land is a contribution to his income, provided that he does the necessary work himself.

For the wage-earners the same basic principles apply; output and income are connected. If the worker's income goes up while the value of his output does not go up, or if his income remains the same while the total value of his output goes down, he will then soon begin to get into difficulties. Let us take a simple case of 100 shirt-makers in a factory who produce between them, let us say, 2,000 shirts a month, that is, 20 for each worker. Let us further assume that each of these workers receives Shs. 200/- a month; on that basis the cost of producing each shirt will be Shs. 10/-. (In order to keep the example simple, I am leaving aside all questions of rent for the factory, cost of the machines, transport, etc., etc.). At that price all the shirts which are produced are bought by the consumers of Tanzania.

Let us now see what happens if the wage of each worker in this shirt factory is increased to Shs. 300/- a month without them increasing the number of shirts they produce. Each shirt would then cost Shs. 15/-. But the consumers only have sufficient money to spend Shs. 20,000/- on buying shirts; therefore, instead of 2,000 shirts being sold each month, only 1,333 shirts will be sold each month. But that means that 67 workers only are needed to produce the number of shirts which can be sold. The other 33 workers will be dismissed because no-one can buy the goods they produce. The total effect of the increase in wages has therefore been that 67 people are better off; their incomes have increased from Shs. 200/- a month each to Shs. 300/- a month each. But 33 workers who used to receive Shs. 200/- a month each now receive nothing; in addition, the consumers of Tanzania only have 1,333 new shirts every month instead of having 2,000 new shirts every month.

This is, of course, a very simplified example; but it is not a false one. Indeed something like this has been happening in Tanzania since 1961. Altogether wage incomes have risen by something like 80 per cent, while, the productivity of the wage-earners as a group has increased by very much less than this. As a result, 93,000 less people are now employed for wages than were employed for wages in 1961. Many of these people lost their jobs because it became less expensive for the employer to buy a machine than to spend money every month on the increased wages of the number of workers necessary to do the same job by hand. That means that in order to keep prices down, some employers sacked workers and bought a machine to do the same job. In many cases there was no alternative if they were to remain in business. In other cases—for example, in domestic employment—the employers did more work themselves; or they simply contracted their activity, because the higher wages made it uneconomic—the sisal industry gives many examples of this. In 1961 128,928 people were employed in the sisal industry, in 1966 the figure had fallen to 64,593, and now it is even lower.

The connection between wage increases without corresponding increases in productivity on the one hand, and the amount of employment available on the other, is very obvious from the statistics. Thus, for example, in 1963 when the overall wage levels increased most drastically, the number of people in employment dropped by more than any other year. In 1964, when wages rose slightly—probably by about the same amount as productivity increased—the number of people in employment actually increased. Let me put this in figures. Average wages rose by 28 per cent in 1963; and employment fell by 14 per cent. In 1964, on the other hand, average wages rose by about 3 per cent while the number of people in employment also increased by 3 per cent. Obviously the 1964 experience is more in keeping with our ambitions to expand the economy—and nearer to the target of the Development Plan which is for a 6 per cent per annum increase in employment.

Sometimes it is said that the increased wages should be paid out of profits, and that if this is done prices will not have to go up and nor will the peasants be any worse off—only the rich employers. Unfortunately, as I have already indicated, this is not true in Tanzania; it may be true in some other countries, but that is not our concern. The people of Tanzania, through their Government, their Local Government, their Co-operatives, or through the publicly owned industries, are now the biggest employers of wage-earners in the United Republic. Any profits made by publicly owned or controlled industries come back to the people and are spent for our national development and our national welfare. That was the point of the nationalisation exercise in February. And it would certainly be very unfair if the few people who happened to be lucky enough to get jobs in a place like Williamsons Diamond Mines (which is 50 per cent publicly owned) were to have all the profits of that place paid out to them in wages. Those profits must be shared amongst us all—and in fact more than three-quarters of the profits of this industry now come to the Government or to other national institutions.

Indeed the truth is that employees in Williamsons, and places like it, are already a privileged group of wage-earners receiving very much above

the average rates for the kind of work they are doing. We even had the ludicrous position recently where the Government had to decide what to do about a group of people who had been paid by Williamsons while they were on a special course, and who are now pointing out that, by paying them only the wage we have been paying to expatriate workers in another branch of the diamond industry, they would be receiving less income for doing the job than they had received while being trained for it!

Wage-earners obtain their living by being part of a very complex economic organization. They cannot be expected to understand by instinct the very real connection between their output, their wages and their continued employment. It is our job—that is, the job of TANU and NUTA leaders—to understand these things and to explain them. It is our job to show the workers and peasants that there is only one way in which we can increase the amount of wealth available to us. That is by increasing the amount we produce. Out of that increase we can then have a little more to spend on ourselves and our immediate needs—whether these be new schools and hospitals, or more wages for every individual. And the rest of the increased wealth we have created by our efforts we can devote to investments, so that it will be easier for us to increase production still more in future years. But we cannot increase wages or other incomes first and hope that increased production will follow. A farmer cannot eat his maize before he has cleared the ground, planted, weeded, and waited for the time when he can harvest his crop.

None of this means that we have done all there is to do in the way of equalizing the incomes in our country. But we must equalize incomes as we make our total wealth grow. It is growth which we must concentrate on. We must then reduce inequalities in incomes by constantly maintaining and bringing up-to-date our system of progressive taxation. We must do it by the provision of social services which are available to all, regardless of income; for a man who suddenly has new medical services available to him and his family, or a new house, or a new school or community centre, has had an improvement in his standard of living, just as much as if he had more money in his pocket. And we must also concentrate the wage incomes which increased productivity makes possible on to the lowest paid workers in our society.

But it would be quite wrong for us to aim at complete equality of income between all workers. Incomes must depend upon work and output too; there must be an incentive for everyone to work a little harder. The central point about our wages policy must be that, while it prevents gross inequalities, it creates a direct link between productivity and income. Wherever appropriate piece-rates should be employed, or bonuses paid for increased output. And where this is not possible—for example, in jobs like teaching or nursing—we should take account of the social usefulness of the work, and its relative attractiveness in comparison with other opportunities for earning a living—including farming.

This means that there is an important constructive task for NUTA and for TANU. We must recognize that the way to increase our members' standard of living is by helping them to become more productive at whatever job they are doing. Our trade union movement must shake off its British heritage, where it found its justification for existence by quarrel-

ling with the employers. The largest employer in Tanzania now is the people—their government and their public institutions. NUTA must learn something from the Soviet Trade Unions, or the Swedish ones. Both of these, in their different ways, are chiefly concerned with ensuring that the wage-earners get a fair share of an increased value of output. Thus they first work to encourage and to help improve productivity, and then argue about its fair distribution. This is, of course, a more difficult task than just making demands for wage increases. But it is a task which is a real service to the members of the trade union movement and to the people as a whole. Nor should this task be left only to NUTA. TANU leaders also have a responsibility, for wage-earners as well as peasants are members of our political movement.

Rural Development.

I have spent a long time on this matter because it is important that we should all understand these basic economic facts of Tanzania. We are now a poor nation; there is no short cut to prosperity; hard work and a deliberate decision by us to plan for a better future is the only way forward. Once we accept these things then we can work and plan to make sure that our progress takes us in the right direction. We can then ensure that increasing prosperity is used for the benefit of the people as a whole and not concentrated in the hands of a few. We can ensure that we build a society in which men co-operate together for their mutual benefit. And we can nurture the traditional values of Africa—the belief that man as a member of his community must enjoy respect and well-being alongside his fellows, and in proportion to his contribution to the society of which he is a member.

For the vast majority of our people the community will continue to be a rural one, and the means of livelihood will be agriculture. This means that our agriculture must be organized in such a manner that improved conditions become possible for all who are willing to work, and that our rural life must be based on the principles of socialism—that is, on the principles of equality, co-operation, and democracy.

In traditional African life the people were equal, they co-operated together, and they participated in all the decisions which affected their lives. But the equality was an equality of poverty; the co-operation was on small things; and their government was only the government of their own family unit, and of their clan, or at most of their tribe. Our task, therefore, is to modernise the traditional structure so as to make it meet our new aspirations for a higher standard of living.

This can be done provided we hold fast to the basic principles of traditional living, while we adapt its techniques to those of the twentieth century. And the way to do this is to create all over Tanzania economic and social communities where people live together and work together for the good of all, and which are interlocked so that all of the different communities also work together in co-operation for the common good of the nation as a whole.

This is the objective outlined in the policy paper "Socialism and Rural Development" to which I wish to direct the attention of this Conference. This paper is the application of the Arusha Declaration to the practical

needs of our rural life. It is vital that it be clearly understood, and that we should all work for its implementation. For "Socialism and Rural Development" is an outline of socialism and self-reliance as it applies to Tanzania's rural life and rural people; and that means as it applies to 95 per cent of our population.

In our countryside there will be national projects; state farms, state forests, national parks, and so on. But these will not be the dominating type of organization for the rural areas. They will be created and run to cater for special problems and special needs. The way the majority of our people will live and work in a socialist Tanzania will be in villages which they themselves create and govern, and which are the basis for the productive activities of the members.

Let us put this objective in its simplest terms. A group of families will live together in a village, and will work together on a common farm for their common benefit. Their houses will be the ones they build for themselves out of their own resources; their farm will be owned jointly, and its produce will be their joint property. The activities of the village, and the type of production they undertake, as well as the distribution of crops and other goods they produce, will all be determined by the village members themselves. For the land will be "our land" to all the members of the village; the crops will be "our crops"; the common herd of animals will be "our herd". In other words, we shall have an up-to-date, and larger, version of the traditional African family, where the land was "ours", crops were "ours", and so on.

The size and composition of the group of people who live together will vary from one part of the country to another, depending upon the soil, the appropriate crops or animal husbandry, and the social customs of the people. But by living together and working together, all of them will be able to be better off. Instead of 40 different families each living separately and each farming their own land, collecting their own water, and sending their children miles to school, they will come together and live in a village. Then, by their joint efforts, they will—in time—be able to bring water into the village; they will be able to build their children's school conveniently near all of them; they will be able to build a community centre and a store for their mutual convenience, and so on. Also, by working together on one farm they will soon be able to invest in an oxen-plough to do much of the work each had previously to do with his own hoe and panga; they will be able to take full advantage of skilled advice about modern methods; they will be able to increase their joint production and their joint prosperity. They will be able jointly to arrange the sale of their produce, and the purchase of the goods they want to buy from outside—perhaps by running their own ujamaa shop. And so on. In other words, a living and working community will have been created. All members of the community will be equal in status and any variations of income will reflect only differences in the amount of work done. They will be working in co-operation, and not in opposition to each other; and they will be governing their own village affairs as well as being able to discuss together national issues which affect them as citizens of Tanzania.

This is the objective. It is stated clearly, and at greater length, in the policy paper. We must understand it so that we know what we are working towards. But it is not something we shall achieve overnight. We have a long way to go.

For what has been happening over recent years is quite different. We have not been enlarging and modernising our traditional family unit as much as abandoning it in favour of small-scale capitalist farming. Many of our most dynamic and energetic farmers, especially those with the most initiative and willingness to learn new techniques, have been branching out on their own as individuals. They have not been enlarging their farms by joining with others in a spirit of equality, but by employing labour. So we are getting the beginnings of the development of an agricultural labouring class on the one hand, and a wealthier employing class on the other. Fortunately, this development has not gone very far; we can arrest the trend without difficulty. But we must not make this change by persecuting the progressive farmers; after all, we have been encouraging them in the direction they have been going! Instead we must seek their co-operation, and integrate them into the new socialist agriculture by showing them that their best interests will be served by this development. For energy and initiative such as these farmers have displayed will be very important to our progress. We need these people.

How then do we move from our present system to the system of ujamaa villages? The policy paper outlines some of the steps which may be used in different places, but it is important to remember two things. First, that the appropriate first steps will be different in different places. And second, that the people themselves must decide whether and when they are prepared to make this movement. For we are not simply trying to organise increased production; we are trying to introduce a whole new way of life for the majority of our people. This can only be done once the people understand its purposes and voluntarily decide to participate.

We must not try to rush this development; what matters is not the speed but the direction in which we move. We must encourage and help people, not try to force them. For this kind of village does exist in Tanzania, and the members of them are learning their advantages. But sometimes people have tried to start this kind of thing and have failed. The reason is often that their expectations were too great; they had too much enthusiasm and too much impatience. What is needed is careful thought and planning—by the people themselves. This is why it is better to start slowly, perhaps by working a common plot in addition to private ones, perhaps by undertaking “mutual help”. Then as the problems reveal themselves, and are solved by the participants, so they will gain confidence and take the next step.

But “slowly” does not mean “without determination”. The initiative for movements in the direction of ujamaa villages can be taken by anyone who understands the objective. It does not have to be a TANU leader, or Government official. Anyone can get together with a group of friends and decide to start. For these villages must govern themselves; the participants must control their own activities. No one else can do it for

them. Thus a group of young people may decide to start; or the members of a TANU cell; or the members of a church or a mosque. Or the school teacher in a village school can take the initiative by asking the children's parents to work with the school in a common project—and so on.

The job of TANU leaders is to help, and to encourage. This will not always be easy. Sometimes people will be sceptical or they will reject the advice and make mistakes. But if the TANU leaders are themselves participants in such schemes, and are able to demonstrate by example the benefits of, and the best methods for, this kind of activity, then success will be greater. We have to act ourselves, and then others will follow. If every M.P. or other delegate here from a rural area decides to be a member of an ujamaa village, we shall make a good start. Indeed, no-one who can live in an ujamaa village, but does not, should talk about ujamaa!

One other important point for TANU leaders to remember is that there can be no great promises of Government help, nor of immediate prosperity, if such villages are started. It is safer to assume that the Government will be able to give no help at all than to assume that Government will come in with all the advice or capital which could possibly be required! And the truth is that at the beginning life in an ujamaa village will be just as hard as the life of a farmer working on his own. This system is no substitute for hard work. It just means that the hard work will, in time, bring greater returns.

For an ujamaa village, as outlined in this Paper, is both a socialist, and a self-reliant, community. It will be using local resources and traditional knowledge, and working up from these to the simple improvements which are possible when people work together. As the villages succeed, the members will graduate from hoes to ox-ploughs, from carrying everything on their heads to using bicycles, or ox-carts. They will work out their own system of social security and assistance in time of trouble. They will be self-reliant ujamaa communities. When the Government and other national institutions come in, they will do so to supplement the activities of the members and assist them to help themselves.

If we succeed in starting ujamaa villages, we shall be able to build up from them to village associations, whereby a number of villages work together for purposes which are too big for any of them separately. And we shall later be able to develop rural industries to diversify and improve life in the rural areas. But all these things depend upon our moving in the right direction, and starting at the bottom with the people coming together in a spirit of equality to work for their common betterment.

Conclusion.

This Conference has a great deal of serious business before it. But one of the most important things is a consideration of "Socialism and Rural Development". This paper should be regarded as an integral part of the Arusha Declaration, and we should therefore give it a great deal of attention here. We have already taken many decisions about the

industrial and commercial sector of our economy; we have taken decisions about the responsibilities and qualifications of leadership. Now is the time for us to think deeply and seriously about the way forward for the masses of our people, and therefore for us all.

I believe that by accepting this Paper, and by returning home with a determination to work for its implementation, we shall be setting a pattern which will be our pride and our satisfaction in the years to come.

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