LyM 019 0010 02

REPORT ON VISIT TO MAZIMBU AND INVESTIGATIONS CARRIED OUT

## 1 INTRODUCTION:

Our visit to Mazimbu was prompted by allegations contained in a number of reports filed in by the Special Representative of the TG's in East Africa, Cde. Nathan Marcus. These are summarized and repeated in his report dated 15th January 1983.

Our mandate was to set up the office of the Special Representative in East Africa; to look into the matters raised in his reports and generally to examine the state of financial management in the area and to report thereon.

## 2 METHOD OF WORK

Even before we left for East Africa we asked for a copy of the structure of the directorate. It was necessary to have this because one of the main allegation made by Cde. Natie was that he was hindered in the performance of his tasks by the "Mini Directorate" (now called the Mazimbu Secretariat) We could not get this information from our office (TG's Office) nor from the SG's Office. It remained for us, therefore, to try and get it at Mazimbu. (I was only able to get a picture of the situation in discussions I had with the Director upon his arrival after Cde. Ray had already left).

On arrival at Mazimbu we met the members of the Secretariat then present and briefly explained the purpose of our visit. We also met Cde. Natie and had talks with him. We were lucky to find Cde. Woolfie present at Mazimbu and we involved him in the preliminary talks we had with Cde. Natie.

On the 9th February 1983 we held talks with the Directorate. The attached minutes give a reasonably accurate account of the deliberations. One or two points, however, need to be highlighted.

First, the purpose of the meeting was to explain the reason why we were at Mazinbu; second it was to examine the allegations made by the Special Representative of the TG in his report; third, the intention was to try and resolve differences caused by unclear administrative structures (this we hoped to achieve by spelling out more clearly the tasks of the Special Representative of the TG in East Africa).

At this meeting much time was taken up by an examination of the allegation made in the reports from the Special Representative of the TG in East Africa:

At this point it may be helpful to summarise the issues raised in Cde. Natie's reports. He writes that

a) Too much authority is concentrated in one person - the Regional Treasurer - who is involved in Logistics, supplies, Agriculture, the Motor Vehicle. Workshop, Clothing and Tailoring, the Leather Workshop and Dar Treasury work including work at the airport and docks.

The point made here is that the Regional Treasurer in Mazimbu has too many irons in the fire and cannot possibly handle all these areas with effectiveness.

- b) The Regional Treasurer does not keep proper books of account, according to generally accepted accounting principles.
- c) There is chaos at the stores.
- d) Logistics and supplies not properly planned for
- e) There is inadequate storage in Dar-es-Salaam for goods sent from abroad. Accordingly goods are delayed at the docks and in the process get stolen.
- f) Supplies are irrationally and wastefully handled
- g) Transport and maintanance costs are high
- h) Undermining of his authority countermanding of and delays in implementing resolutions he had helped to formulate in regard to the Agricultural Project.

- i) Unhygienic catering conditions for the school
- j) Lack of co-operation on the part of the directorate

I must stress the point that in listing the above points I have shorn them of the verbiage and language used by the Special Representative of the TG. I must say that the language of the reports is alarmist and points a very bleak picture of the situation and is full of innuendos which irked the directorate. They took the view that the reports cast certain aspersions and reflected on their personal integrity. To a man they berated Cde. Natie for the imnuendors made and for certain remarks in his reports and generally for the tone of his reports, and for not giving the directorate copies of the reports. Significantly the directorate did not rebut the gist of the allegations except the two allegations on non cooperation and obstructing the Special Representative in the performance of his duties. The minutes do not clearly bring this matter up but since I am quoted at page 8 of the minutes I should like to summarise the points I made. In the light of the deliberation up to that point I observed that it seemed to me that

- a) Everybody agreed that proper controls need to be introduced for the stores and supplies;
- b) That there was general agreement that either adequate transport or storage is needed to speed up the clear-ance of goods from the docks;
- c) That the poultry and the piggery needed to be reorganised in order to meet the food requirements of the
  community and to allow for the marketing of the surplus;
- d) That the catering department needed to be put on a proper footing (indeed the meeting was informed that two kitchens would be commissioned in mid March when the electricity forthe purpose would be available)

The point I am making is that the directorate did, indirectly, confirm some of the allegations made, even at that initial stage.

This of course did not relieve us of the task of satisfying ourselves as to the truth of all the matters raised in Cde.

Natie's reports. We tried to keep an open mind on the issue. Indeed some of the averments could only be confirmed or rebutted by our own personal investigations and observations. For example whether or not proper books of account are kept is a question of fact which could only be established by an examination of the accounting system, if any, in use.

At this point I should like to mention that Cde. Marcus apologized to the directorate for the remarks which were taken as casting aspersions on them. He explained that these were not directed at the directorate but at the general management of the complex which opened certain loopholes which could be exploited to the detriment of the organisation. The minutes are silent on the point and I thought I would raise it in the report.

The next issue for consideration was the office of the Special Representative of the TG in East Africa particularly its relations with the structures that exist in Mazimbu. In his opening remarks Cde. Kay had dealt at length with this matter. He had referred to decisions taken earlier, the Consultative Meeting and the resolutions taken thereat and the TG's directive dated 16th November 1982. I had also tried to explain the functions of the office and what financial management entails. Nonetheless the directorate took the view that these points be clearly spelt out in writing. The meeting adjourned and we were asked to prepare a paper amplifying the TG's directive. We agreed to this and so the meeting stood adjourned to the 11th February. On the 10th we met and prepared the document entitled "Amplification of the Tasks, Fuctions and Duties of the Special Representative of the TG in East Africa".

The last paragraph of the preamble to this document makes it clear that it attempts to explain and amplify issues raised directly or by necessary implication in the TG's directive to the directorate referred to above.

In preparing this document we ensured that all the matters raised in the TG's directive to the Directorate were included. Some of the clauses were quoted verbatim. We did this mainly because we did not intend to depart from the letter and spirit of the TG's directive.

Of course we introduced new clauses which were implied in the directive or were necessary to set up the office. At the reconvened meeting, I proposed and it was agreed that the document be read together with the TG's directive. I made this proposal to help the meeting see that the amplifying document embodied all the provisions of the directive. No one disputed the fact that the provisions of the TG's directive were embodied in the amplifying document. No omissions were pointed out.

To our amazement the key members of the directorate took the view that

- a) We had come up with a new structure that caused an overlapping of functions (for instance the directorate had set up a finance committee whose tasks were similar to those of the office of the TG's Special Representative)
- b) That the document cut across all existing structures and did not clearly define the relationship between the office we southt to set up and the administrative structures in operation in Mazimbu.
- c) That the document aimed at decentralising financial administration whereas the directorate, over time, had attempted to centralise financial management.
- d) That the proposed arrangement rendered the office of the Regional Treasury redundant.

- e) That in their opinion the office of the Special Representative of the TG was intended to strengthen the existing structures and not to carve them up.
- f) That in these premises and for the reasons stated above the document was either unacceptable or needed further discussions not only by the directorate but also by the directorate and HQ in a joint meeting.

To the best of my knowledge and belief, the directorate never met to consider the amplifying document during my stay in Mazimbu, even after the director came back from London. (I say this because in discussions I had with the director before his departure for the Soviet Union I refered to the document and he did not appear acquinted with its contents)

In any case the document we prepared merely sought to explain issues raised in the TG's directive dated 16th November, 1982. The directorate had more than 10 weeks in which to consider the TG's directive. At all relevant times, therefore, they had the opportunity to seek clarification from HQ on all matters they did not fully comprehend. They chose not to. Besides we were informed that the TG's directive was clear enough!

At the meeting of the 11th February, referred to above, Cde. Kay reiterated the fact that I would stay on and conduct certain investgations. I should now like to submit my report on these. As much as possible I should like to take these issues in their chronological order.

### 3. MATTERS LOOKED INTO

# 3.1 Meeting with Regional Treasurers

On Saturday, 12th February, 1983, I held talks with Cdes.

Doodles and Conny who represented the Mazimbu and Dar Regional Treasuries respectively. The meeting had been arranged earlier in the week by Cde. Kay, who unfortunately because of changes in flight schedules, could not attend.

The main purpose of the meeting was to work out the mechanics of operating the two treasuries as independent units; to determine the ways of reporting on their confront them and work out ways of handling them.

Cde. Doodles gave us a brief insight into how Dar finances were administered.

- i) Dar receives a quartely allowance from Sida. The money is channelled through the Regional Treasury, Mazimbu;
- ii) For the current year the allocation to Dar was 2.5 million Swedish Crowns p.a.
- iii) Before the devaluation of Swedish Crown, the quarterly allocation to Dar, in local currency, was approximately 960,006 TS. After the devaluation of the SKr, the amount received in local currency is about 781,000 TS There is therefore a shortfall of 179,000 TS (also through foreign exchange)
  - iv) In Dar, fuel and air-fares, have to be paid for in foreign currency. For this purpose Mazinbu uses funds from the Building Projects A/C. The Dar Sida grant is paid into this account and that is why fuel costs and air-fares for Dar are paid out of it.
    - v) Monthly the Dar Region gets an allocation from Mazinbu for daily necessaries. This amount is not limited to the size of the Sida grant.
  - vi) HQ does not provide contigency funds for Dar to cover expenditure in exess of the Sida grant. Mazimbu props up Dar, in case of need, out of the transfers from HQ.

Cde Conny then gave us an estimate of monthly expenditure for Dar (unfortunately he did not have all his records from which I could have extracted the monthly average. We + operations and generally to look into problems that

agreed I would inspect these in Dar. I never had the chance.) According to him

- i) The average expenditure on basic things in Dar is about 350.000 TS per month i.e. 1050,000 TS per quarter. This amount excludes the money spent on bread and milk. (Cdd. Conny was unable to give us recent prices of these commodities because they had been out of circulation for sometime)
- ii) The 'permanent 'population of ANC members in Dar stands at 100 i.e. 90 adults and 10 children. Because Dar is the receiving point, total populationfluctuates and it is difficult to estimate how many people to cater for each month.
- iii) The Tanzanian Government has decreed that our permanent population be cut down from 90-100 to 10. Plans are afoot to move "surplus" people to Mazimbu/Dakawa. That the whole exercise would probably take a year to accomplish.

One point which clearly emerges from the above accounts is that the Sida allocation is inadequate to meet the needs of the Dar region.

The minimum amount required for daily necessaries per person per month is circa 4000 TS (I am informed that our students in Dar who are sponsored by ILO get 7000 TS per month for their upkeep, book fees and travelling expenses. The YMCA (or is it YWCA) hostel charges about 3000 TS per month per person for boarding and lodging)

Other matters raised at this meeting were:

- a) Supplies groceries and toiletries
- b) Moter vehicle spares and accessories
- c) Scholarship Committee expenses
- d) Financial statements for Regional Treasuries.

#### Supplies:

Tanzania is going through a period of severe economic crisis. This is evidenced by shortage or unvailability of basic commodities. Those that are available are overpriced and even than their supply is not constant. The two treasurers suggested that some of their requirements could possibly be bought outside Tanzania. I suggested that they could be bought in Zambia here say quarterly. (Cde. Natie with whom I discussed the matter thinks that the UK would even be cheaper)

Arrangements could then be worked out whereby the allocation to the area could be proportionately reduced by the amount of purchases made by HQ for it. In subsequent discussions with Cde. Lindiwe who is in charge os supplies at the moment I discovered that the following goods are the ones not readily available in Tanzania.

- a) Rice, because it is rationed in the country;
- b) Powdered Milk
- c) Toothpaste
- d) Toilet soap and washing powder
- e) Toilet paper (I was alarmed to note that cdes. use newspapers. The moment is not far off when the sewerage system would be blocked, and it would probably cost us a lot to put it back to order)
- f) Sanitary pads the need for these is only too obvious
- g) Razor blades
- h) Deodorants East Africa is very hot and people perspire profusely there.
- i) Shoe and floor polish
- j) Insecticides: Malaria is rife there and flies have their field day.
- k) Crockery. (plastics would do)

As can be seen from this list most of the things required are not fully and are essential (one could go so far as to say most people take them for granted).

#### MOTOR VEHICLE SPARES AND ACCESSORIES

This seems to be a perennial problem in East Africa. Cde. Doodles gave a disturbing report about the state of transport in Mazinbu. According to him about 75% of the fleet in Mazinbu was grounded because of scarcity or unavailability of spares and accessories. Car tyres cost as much as 3500TS each on the black market! (at times the price is even higher. When I was there I was informed that one seller wanted 4500 TS! I can only say I find the situation mind bogging!)

#### SCHOLARSHIP COMMITTEE EXPENSES

Cde. Conny pointed out that he is now saddled with a huge telex and telephone bill because of the use of these facilities by Cde. Mandy Msimang. Cde. Mandy liases with Unesco on scholarship this organisation gives him some funds to carry out his work. A suggestion was made that either Cde. Mandy has his own office separate from ours. Alternatively he should be obliged to pay for the administrative expenses of his office.

### FINANCIAL STATEMENTS

Following certain discussions I had had with Cde. Kay about the Regions sometime back, and in order to keep HQ informed about Regional affairs, I proposed and it was agreed that Regional Treasuries should submit the following financial statement:-

- i) Monthly, a Receipt and Payments statement; and Triat Balance.
- ii) Annually, a Receipts and Payments Statement an income & Expenditure Account a Balance Sheet.

I do not know for certain whether the two treasurers are

are capable of preparing these statements. Cde. Doodles gave me to understand that he is a registered student with the Institute of Chartered Secretaries and Administrators—a high powered course in Accounting and Business Administration. Cde. Conny is presently doing a Tanzanian course in Accounting. I do not know what course. He made me believe he is doing the final part of the course. On the face of it, therefore, both should be able to cope. At any rate Cde. Natice Marcus is there to guide them.

### 3.2 ACCOUNTING RECORDS

One of the points raised in Cde. Naties reports is that no proper books of accounts, according to generally accepted principles, were kept.

This statement was true at the time of writing his reports. A simple method (I would not call it an Accounting system) of recording transactions had evolved over time. According to this method no books of accounts as we know them were kept. Daily and Receipts and Expenditure Sheet was prepared. And this was all there was.

As of January 1983, a Cash Book is now maintained to record both cash and cheque payments. Cde. Swazi Mohlala keeps these and Cde. Natie does the postings to the Ledger. The manner in which cash is handled generally is not satisfactory. I spent a number of days observing things and discussing proposals with the people concerned. To put things in perspective I should like to start with a narration of how the Regional Treasurer in Mazimbu works.

The Regional Treasury, Mazimbu, administers funds for the following sectors:

a) Building Project - Materials, wages, transport costs;

- b) The College;
- c) Regional Treasury i.e.
  - (i) Supplies

### (ii) Transport

Although the Regional Treasury pays most of the bills of all these sectors, some of them have their own petty cash. This is not kept on the imprest system and is reimburst at erratic periods. The school for example has petty cash of 20,000 TS, although the school bursar, Cde. Jimmy Pambo, thinks that 5,000 TS would be adequate (I did not meet him but got this report from Cde. Swazi who is head of the Finance Section of the Treasury).

Presently no spot check and cash counts are done by the Treasury to ensure that petty cash is not misappropriated

#### CASH RECEIPTS:

on the right

The bulk of cash received by the complex comes from "transfers ex HQ" which come in the usual way. Although HQ knows the rate of exchange, the Regional Treasurer does not issue a receipt to HQ for these transfers. He merely records these in his private Cash Book. When the transfers reach the Regional Office, part of the money is banked and the rest given over to the Head of the Finance Dept. of course the cash is counted. The Regional Treasurer records the transfer to the Head of the Finance Dept. in his private Cash Book. This was the only evidence of the transaction.

I immediately recommended (and this was implemented) that a record be kept signed by both parties to evidence the transfer of cash from Doodles to Swazi, who as of that moment, assumes responsibility for the cash transfered to her. All cash in the office is kept in two small safes. One safe with akey and a combination was used by the cashier—Cde. Tandie who also has a big cash box. The other safe with a key only is used by Cde. Swazi.

By reason of their seniority, Cde. Swazi keeps more cash than Cde. Tandie. Yet she used the safe without the combination! This was absurd.

Immediately we had to change (swop) safes. It was observed that Cde. Doodles had spare keys to the safes. This was most unprocedural and caused unease. It is Cdes. Swazi and Tandie who are, in the final analysis, responsible for the safety of the cash entrusted to them.

I had to collect the spare keys and give them to Cde. Natic Marcus for safekeeping. Both safes are not safe. As one opens the doors the cash is immediately exposed. There is no inner lockable enclosure.

It is necessary to ensure the safety of cash funds particularly because large amounts are kept in the office. I was informed that weekly, on average, about 500,000TS is kept in these safes. On pay days or when large payments are anticipated, the figure is even higher! It was with these points in mind that the above changes were made. Other recommended changes were a) That both safes should have internal lockable compartments (before I left I ensured that Cde. Cassey—the Workshop manager who is also a welder had been given the assignment to fit these).

At any rate this is a mere temporary measure.

b) That a bigger safe - more secure - be purchased and the smaller ones either disposed of or given to the other departments. Cde. Doodles advised that he had seen a more secure and bigger safe in town and it costs about 56,000TS as long as large cash reserves are kept in the office, the safety of the cash funds will justify such capital expenditure.

Once the cash funds reach the Head of the Finance Section they are disbursed to the Cashier as and when the need arises. All departments whose funds are administered by the Regional Office have to requisition cash funds in writing. These requisitions are considered by either Cde. Doodles or Swazi. The cashier makes out payments only on their advice. This is proper for Cde. Tandie (the cashier) is a young Cde. with obviously little experience in the business world.

Formevery allocation made to the cashier, the Head of the Finance Dept. receives internal receipt, notes its particulars in her books, and passes it on to Doodles, the cashier receives most of her cash funds from the Head of the Finance Dept.

However she does receive funds from sundry sales of clothing and small donations. Receipts are issued for these. Most donors do not send in foreign exchange. Instead they are requested to buy things for us out of the grants. They then send in supporting vouchers together with the goods. It is suggested that they submitt expenditure statements as well particularly in those cases where the grant is not used up in full at one go.

Daily the Cashier has prepared a record of her expenditure. Presently this is done for her. This record takes the form of a Cash Book now. In the past it was in the form of a daily Cash Record Sheet.

Daily Cash on hand at the end of the day is counted and checked and the balance compared with the records. For purposes of balancing vouchers in the till count as cash.

When depts account for their expenditure the outstanding vouchers are torn up. (It will be necessary soon to introduce a system similar to the one at HQ where an

Issue Book instead of Petty Cash Vouchers, is used).

Receipts and other documentary evidence submitted by the depts when they account are scrutinised by the Finance Dept. Cde. Doodles has arranged for a "Checked stamp to be used and all receipts and vouchers that have been checked to be stamped "Checked".

The idea is welcome provided only a responsible person in the Finance Dept. will keep this stamp. This way no voucher can be presented twice for the same transaction. The question of accounting for departmental expenditure in East Africa is complicated by certain dishonest and illegal practices on the part of the business community. I was informed that most commodities in the country are "controlled". Such "controlled" goods are distributed through a system or network of state enterprises and buyers are rationed. Deelers in the private sector are not permitted by law to sell controlled goods. In practice they do. Suppose commodity X is controlled and I am a trader in the private sector. If I get quantities of X and I want to sell them, I am unlikely to give an invoice which will show that sale. Instead I shall make out an invoice listing the things I am permitted to sell. - i.e. A fectitious invoice, and then deliver commodity X- I would have to do this to mislead the Revenue officials who are empowered by law to check my records.

Another gimmick used to evode tax is to understate prices on invoices. Both these practices, over which we have no control, cause problems for us. Firstly they suggest dishonest tendencies to our cdes. Nothing prevents a dishonest Cde. from pocketing the differente between the "real" price and the "invoice price". Secondly even if the price is genuine, a dishonest Cde. can always buy things for personal use under our very noses.

It was suggested that the Regional Treasurer should keep himself informed about general price levels - a difficult task it must be said because of the constent changes in prices.

The second problem can to some degree be abviated by installing a proper stores system. Goods referved should be checked against both the orders and the invoices. (Of necessity all purchases have to be initiated by written orders).

### 3.3 WAGES AND INCENTIVES:

The office of the RT pays all wages, salaries and incentives for the following sectors:

- a) Administrative staff and all Tanzanian workers;
- b) Teachers, technical staff and cooks;
- c) Day Care Centres
- d) Building site
- e) All production areas;
- f) Cigarette allowances for students, Dakawa and other comrades who or any reason cannot work.
- g) Cosmetic allowance to all female comrades including Secondary School girls.

Before I deal with the main issues here I should like to dispose of a few minor points.

- i) Up till the 19th February 1983 all comrades at Dakawa students and non-students alike were given a monthly cigarrettes allowance of 100TS. Workers there (i.e. our own people) were treated differently from those at Mazimbu who get an incentive of 16TS per day i.e. 384TS per month. I could not get the ratio for this differentiation. As from March, it was agreed, all our people in gainful and productive work need to be treated alike.
- ii) Cdes who have to go say to Dar on assignment and are therefore not at work in Mazimbu for the day, lose their incentive for the day. I was informed that Cdes in Mazimbu

have accepted this arrangement without question. They are politically conscious!

iii) All Secondary School girls receive cosmetics allowance those at the primary school do not. It seems to me that a more equitable way of dealing with the matter is to give out this allowances according to age. I saw some kids at the Secondary School who are of the same age as some of those at the Primary School.

The wages section of the Regional Office is headed by Cde. Headman he appears quite competent but is resistent to changes and advice. On the 19th February 1983 there was to be a wage pay out. In anticipation of this I followed up. the handling of wages up to the pay out. I attended the pay out and made my observations. The following week Cde. Headman submitted a letter requesting that he be transferred to another dept. I have reason to believe that all is not well in the Wages Dept. The following are some of the irregular practices that are there:

a) The various depts keep attendance registers. Daily these are checked. The manner of checking is unsatisfactory. Instead of using the same sheet (or a copy thereof) prepared by the time-keeper, the checker prepares a new sheet and actually repeats the task performed by the time keeper. It is this sheet prepared by the checker that is used to compute wages.

Both sheets are not signed nor initiatted by both the time-keepers and the checkers. Now immediately one can see loopholes in the system. The checker can easily mark "present" absent employees, likewise he could add on additional names. Cde. Headman is one of the checkers for the production units next to the administrative building.

b) The computation of wages is done by Cde. Headman.

This is not checked by an independent person. I checked the computation for the 19th February pay out. The cast was correct except for one or two cases - minor

adjustments were made.

c) Deductions for loan refunds do not show on the wage sheets. Thus the money requisitioned for wages includes sums which are later deducted for loan refunds. A voucher for the loan deduction is made put into the wage packet and the refund taken out and later returned to the Cashier. I suggested that the wage bill should be net of loan refunds. Only the total money to be paid out needs to be requisitioned.

(In January one teacher who had been listed as entitled to 1800TS had his salary slashed to 1500TS. The salaries register showed that he was entitled to 1800TS and this was later changed on the sheet to 1500TS. The money was returned to Cde. Headman who only accounted for it in late February).

d) Cde. Headman and Tandie are involved in the preparation of pay packets. They also attend the pay out.

The point I am making is that one person is involved
in all the stages of administering wages. For a complex
of about 800 people this is not tenable.

I suggested that the payout be done by the departments and not by the wages office.

e) When wages are paid out I was informed that the Sectional Foremen would be present to identify the workers. This was not done on Saturday 19th February. When I pointed this out I was informed that seeing as the payout takes place after working hours it is difficult to get the foremen to attend.

There is thus no satisfactory method of identifying the workers. A few identity cards have been printed. It appears that the workers are expected to pay for the photographs. Frankly these cards were introduced by us to help us identify the employers on pay day. It is

we who should meet the costs. At any rate it may not even be necessary to use these cards if wage pay outs are made by the departments who should know the employees.

- f) Unclaimed wages are taken back to the Wages Office where they kept over the weekend. They should be handed back to the Finance Office and receipted.
- g) Personnel records are not up to date. It is conceded that there is too much work for one person in the wages dept. This dept urgently needs staffing.

## 3.4 SUPPLIES AND AGRICULTURAL PROJECT

It is convenient to discuss the two jointly for the Agricultural Project is designed to meet the meat, eggs, vegetable, fruit and milk requirements of the community. To familiarise myself with the situation I visited the piggery at Kuonde, the poultry and goat pens and had discussions with Lindiwe who is in charge of supplies and with Finn (in Doodles and Natie's presence).

According to the records kept at the supplies dept. there are slightly over 1000 Cdes in Mazimbu - Morogoro-Dakawa. This number is likely to be more now. When I was in East Africa a few students who have completed their studies trickled in. Dakawa was expecting about 30 more people. For purposes of budgeting we could place the number of people there present at around 1,200.

The poultry venture has no clear direction. One cannot say whether we are engaged in meat production or egg production. The whole exercise seems to be at an experimental stage.

The birds appreared overcrowded in some shacks and two were empty. A number of cocrels which do not have much meat in them filled two shacks.

Cde. Finn advised that a hatchery was to be build through funds from the Oxform grant. That once this was set up we would be able to have a constant supply of both layers and broilers. One gained the impression that these plans are not at an advanced stage of preparation.

On the question of the piggery the 68 old pigs which were overweight at the time of Natie's reporting had not been disposed of by quick sale. Some have been slaughtered. On average about 4 pigs a week are killed to feed the community. Cde. Finn conceded that the rate of bittering was low. An inspection of the piggery revealed that only one soar had 13 piglets. The average birth rate was 6/7. He ascribes the low yield to poor feed. We agreed that a few structural changes will have to be made at the piggery to try and save the lives of the piglets. Most die of crushing by the mothers.

The project has 30 beef cattle at present. They are Zebu or Masai type. It is intended to build a permanent stock of 100 head before we could start slaughtering them for beef. (Discussions we had with the supplies of beef who buys his stock from the Masai herdsmen revealed that on average the dead weight of the Zebu cattle is about 100KG (offal excluded). Presently the complex buys 905KG of beef weekly at 37TS per kg. + This would mean that at least 6 head of cattle per week need to be slaughtered. Assuming that our numbers remain constant for the next 10 years and assuming that we can build our herd to the projected figure in two years (By purchasing more) than monthly we would need to kill about 24 cattle — i.e. 288 cattle per annum.

Although I am a layman on Agricultural matters this venture is to me, a non-starter.

+ We agreed to reduce this to 600KG of prime beef at 50TS per kg.

Presently goat meat is a special delicacy reserved for certain occasions. It does not form part of the general supplies. The number of goats on hand is estimated at 150. Cde. Finn complains that by and large there are no ANC members who have the frame of mind neede to tend the goats. They are merely kept locked up much of the time.

Legis and successful and the suc

Dool Bue From Air This property will Consider the telephone

Another venture set up is that of keeping dairy cattle. About 50 for a start have been ordered. Cde Finn went to Kenya to negotiate their purchase. The faculty of Agriculture of the University of Dar in Morogoro experimented with dairy cattle. The venture was abondoned. Cde. Finn thinks it was abandoned for lack of proper management rather than for unsuitability of the venture in the area.

All in all,, save for the piggery which at least supplies pork to the community the other ventures of the Agricultural project do not at present supply the meat required. A new Agricultural centre where the hatchery and the poultry and piggery will be has been built. The horticultural sector, I was informed, will soon go into production with the arrival of the Danish horticultivist and the purchase of overhead irrigation equipment. The expert has arrived and Doodles has been approached to buy the equipment.

A disturbing feature of the management of the agricultural project is that the manager seems to have unlimited control over things. Some of the new ventures and instances of capital expenditure were not even discussed with the head of Agricultural Projects, Cde. Pitso.

When I asked a direct question on the point I was informed that Cde. Pitso is more concerned with Dakawa than with Mazimbu.

THE THE PARTY OF T

The State of Librar Librar Librar Charles and Library Co. It, self- by Library Library Carlos and Edited States

· depailed in finishing of the first of the

I was disappointed to note that Cde. Agnes who has recently completed a senior degree in Agriculture is not fully involved in the project. She works full time as a teacher and only attends to agricultural matters in her spare time, so to speak.

Similarly another Cde. (I forget his name) who has done a course in agricultural economics, so I was told, twiddles his fingers most of the time in the wages office. Surely how else can our own personnel acquire experience in their field of study if they are not given the chance to work in the projects?

In one of his reports Cde. Natic made the point that of all the sections in Mazimbu none is as wasteful as the Supplies Dept. My own observation confirms, partly, this observation. I am unable however to say this dept. is the most wasteful. I went round to the Supplies Dept. and had discussions with Cde. Lindiwe and her assistant Cde. Yoliswa. I learnt that meat is supplied 5 times a week mainly because most residences have no refrigeration. But the refrigeration at the butchery is inadequate. One big fridge is completely out of order. The other two have technical problems. When they are completely full they defrost themselves immediately.

Cde. Lindiwe suggests that we build a "Chilling Room" (the kind used by farmers to store milk in cans, back home. It is constructed of face bricks and needs running water to keep it cool. She says in Botswana where she received her training in meat and food processing, it is generally used. I do not know whether it would sent the conditions in Mazimbu. We would, naturally, have to find out first.

On average Cdes receive 1½kgs of meat (beef and pork) weekly. But in about 10 residences, where we have Cdes

staying by themselves or receiving separate supplies they get 2½kg of meat per week. This practice is not justified in any way. Accordingly we decided to reduce these rations and have them in line with the rest of the community. Eggs are supplied once a week. All are entitled to 5 eggs per week.

Vegetables and fruit are supplied twice weekly. It is in this area that wastage is apparent. The supplies dept.gives a wide variety of vegetables. I would not quarrel with the arrangement if we produced these on the farm. But most of the time the vegetables and fruit are bought in the open market at inflated prices.

In a week, residences are supplied twice, with such vegetables as potatoes, tomatoes, carrots, green beans, peace, cabbage and "mrogo". This is standard. At times anions cucumber, pumpkin and green pepper are added to the list. Cde. Lindiwe does the buying for the community. The school has a separate buyer - Cde Motsumi - who buys daily for the school.

A cursory check revealed that Lindiwe gets tomatoes at 30TS per kg i.e. 10TS less than the market price per kg, whereas Cde. Motsumi does not get the benefit of this discount when he buys for the school although both buy from the same supplies and the invoices are made out to the ANC! What this merely means is that advantage is not taken of the fact that we are a big buyer and should demand special treatment. Anyway we agreed that both Cde. Natic and Doodles would look into the matter and try and get alternative suppliers.

Even so the amount of food that goes to waste is stagering. Much of the waste could be prevented by cutting down on the vegetable supplied when they are bought.

For instance peas and green beans are both legums and have the same nutritional value. Cabbage and "mrogo" are substitutes. There is no reason why they are both supplied.

Besides the quantities given out are not properly weighed. A spade is used to scoop the quantity required. I have no doubt that a much more scientific method could be used. Ode. Natice had a few suggestions about supplies in general. These have been accepted by the directorate in principle.

One change he suggested was that the supplies dept. should operate like an ordinary shop where people would come and collect suitable quantities of the things they require. The directorate wants the community to be "educated" first before this is done for they are used to having things delivered almost at their door steps.

# 3.5 SCHOOL CATERING

Notwithstanding the fact that the school is supplied with adequate food supplies, the conditions under which the food is prepared are appalling. The Tanzania aunties who prepare it are not provided with adequate protective clothing. There are lots of flies generally in Mazimbu — insecticides are difficult to come by. There are more such flies around the catering area. I never saw, let alone taste the food prepared. In informal talks with certain people I was given to understand that some students even skip meals because of the quality of food.

### 3.6 BUILDING PROJECT

I had wished to get cost figures on our expenditure in this dept. I am aware that much money has been pumped into the project. Unfortunately Cde. Doodles who handles the funds of this project could not give me the information I required. This was so because there are no separate books for the transactions of this project. All expenditure by the complex is bundles together in one cash book for record purposes and this was started only in January 1983.

It was with difficulty that I managed to meet Cde. Dennis and have discussions with him on the project. This was only possible in the afternoon of the day of my departure from Mazimbu. From the short discussion we had we agreed

- a) On the need of having a costing system that will tell us how much we have spent in terms of labour costs and costs of material used on each type of structure;
- b) That it would be helpful to have bills of valuantities worked out to determine cost variances favourable as well as unfavourable from the standard cost per type of structure;
- c) That it is necessary to get an evaluation to appraise the structures by Tanzanian standards. My little experience in the building trade makes me value the houses at "Copenhagen" at about K30,000 a piece.

Cde. Dennis is of the view that we have saved a lot in building costs. This may very well be true because labour costs in Tanzania are pitifully low particularly for unskilled labourers. Presently unskilled workers - and most of the workers on the site are unskilled - are

entitles to 17TS per day for work in a rural area and 23TS per day for work in urban areas. Mazimbu is a rural area, I learn, but we pay unskilled workers at the urban rates, if only to solve our conscience!

There is no statutory minimum wage for all categories of skilled workers. An artisan association has fixed rates of pay for them. I gather that our rates are competitive.

### 3.7 MISCELLANOUS

I did not consider it necessary to examine logistics in depth for I am informed that Cde.

Woolfie has reported on the matter.

Neither did I look into the clothing factory at this stage. The only expenses we incur are labour costs fuel and overhead expenses which do not amount to much. The Cobblery ascinated me. Cde. Juppy undoubtedly knows his ropes. I was a bit pertubed to note that our people are not involved in the venture. In my view shoe manufacture as a business proposition has immense opportunities and possibilities.

# 3.7 GENERAL OBSERVATIONS

Although it is to be expected that where production takes place, a number of things may be found littered all over the show, one gets the overall impression that ANC property in Mazimbu is not handled with that degree of care expected of comrades.

When I visited the area next to the workshop I saw stacks upon stacks of timber that was just left unattended. One could see that it had been exposed to

the elements for a long time.

Comrade Doodles advices that the timber was ordered some time back by a Cde. who was in charge of the Workshop. Apparently it was not suitable for the purpose for which it was intended. No satisfactory explanation was given why it was not returned and the money paid claimed back. Similarly next to the clothing stores we saw tents for which nobody in Mazimbu had use. The rodents had helped themselves to one. Why these could not be sent to Dakawa where use could be found for them is not clear to me.

And talking of Dakawa we are almost a year there. Whatever development that has taken place is in the agricultural field - nothing more. Cde. Fuzile who is in charge there has a mammoth task before him. Things are not made easy for him by dilly-dallying for example Dakawa is known to be in the Malaria belt. Until recently when we visited Mazimbu, no effective, steps had been taken to provide mosquito nets. Only 7, we were informed, were available and even these were for patients!

There is a crying need for transport, an ambulance and emergency medical supplies. One vehicle - a rickety contraption - is the answer to Dakawa's transport needs. It is an all purpose vehicle. The Dakawa community is growing by the day. Pretty soon the population will reach the 100 mark. Amenities are still at the same level as when the settlement was set up (i.e. whatever amenities there are). Radio equipment (with licences I am informed) to link Dakawa with Mazimbu has come. Cde. Castro who has the know how on these matters is in Mazimbu serving punishment for an offence commutted. He could not be used immediately to install the equipment. A simple solution like

suspending temporarily the punishment in order to get the man to fix things, and then go back to serve his punishment needs to be suggested and considered in a meeting!

Two generators meant for Dakawa and donated by the Soviet Union are lying unused in Mazimbu because we cannot operate them. There are many Soviet technicians who could be consulted. The "problem" is getting them to Mazimbu or taking the generators to wherever they are!

All this calls for an administrative apparatus to attend to the needs of Dakawa.

# THE DIRECTORATE AND THE OFFICE OF THE TG'S SPECIAL REPRESENTATIVE IN EAST AFRICA

Relations between Cde. Natham Marcus and members of the Mazimbu Secretariat (previously referred to as the Mini-Directorate) are pretty bad.

There are obviously personality clashes. As one member of the Secretariat put it "I find it difficult to work with Natie. He goes on the attack each time he talks to us. We have to defend ourselves all the time". Without in any minimising the damage personality differences can wreak, it is my considered view that the root cause of these fifferences is to be found in the administrative structure we have for Mazimbu, particularly the way it evoked.

In a sense HQ is partly to blame for the turn of events. We allowed an unfortunate situation to develop. To explain myself: When Cde Mohamed Tickly was appointed Director of SOMAFCO, no job description

was prepared for him.

Sometime in July 1982, by Memo addressed to the office of the SG, the office of the TG, the Education Secretary etc (Ref. D/SOMAFCO/05), the Director-Designate presented to the above a "draft" job description for the Director of SOMAFCO. Paras 2 and 3 of this memo are instructive in that even at that initial stage they show that the director (directorate) was to assume control over all activities in Mazimbu.

Para 2 provides that the director shall be charged with the task of "Co-ordination of the activities of all the sectors at Mazimbu: Academic, medical, treasury, construction (including the building project itself) as well as other production areas such as agriculture, tailoring ete"

Para. 3 "Give direction and support to all sector heads at Mazimbu, all sector heads accountable to the Director and should deal through him/her.....

This memo was followed by another one (Rep. D/SOMAFCO/06) sent to the same offices. It is entitled "Somafco: Director's Priorities" of interest to us are 5 clauses in the memo. These are clauses 3,5,10,11, and 12.

Clause 3 provides "Have job descriptions and responsibilities drafted for all workers at Mazimbu".

Clause 5 reads

"Establish a clear system for ordering, receiving, distributing, storing and acknowledging book and other orders, appointing a reliable resources officer".

Clause 10 state

"Review Somafco's financial arrangements and seek possible ways of simplifying procedures, reducing delays and ensure that there is proper accountability to the

Treasury".

Clause 11 provides: "Look at transport provision and

organisation.....

Clause 12 states: "Obtain a clear brief for Dakawa and

arrange for its implementation".

These memos were followed by memo Ref/Somafco/07 addressed to the same offices. This one bears the tittle "Somafco: Major Issues Concerning Control, Role and Conception". Of relevance to the Treasury are the following provisions Para. 1(c) which reads:

"Having consulted with the Working Committee and Secretariat on General policy matters and with the other Department Heads about specific issues - medical, technical financial etc. The Director and the Directorate should be given the autonomy to direct, co-ordinate and implement policies and to make day-to-day decisions and not be subject to pressures from individuals, groups or Departments".

- Para 1(d) "All matters relating to Mazimbu and Dakawa should in the first instance be referred to the Director....

  Thus Depts Heads and officers of the Movement in East Africa should first refer requests and proposals about staffing, transport, finance, withdrawal of personnel etc to the Director".
- 2. "All those who work at Mazimbu are directly responsible to the Director/Directorate and not to their Dept at HQ".
- 4. "Somafco requires a greater measure of financial autonomy. Except for very large items of capital expenditure, all other smaller capital expenditure and recurrent expenditure should be left with the Directorate. This will reduce the pressure on the Treasury at HQ and will in many instances save time and work. An annual Budget estimate should be presented to the Treasury and having agreed on a budget the Directorate should have

control over it, and should account for it. In this way, specific needs such as books, sport equipment etc can be acquired in a systematic way and through recognised channels and methods".

I have quoted at length from these documents. It is clear ex facie the documents that the director(ate) proposed to take over certain functions im Mazimbu which fall within the jurisdiction of the Treasury. HQ does not seem to have responded to the proposals contained in the director, memos. What happened next is that the director, rightly or wrongly assumed that these proposals were accepted.

He set about creating a number of committees all of which he chairs. There are such committees as:

- (1) The Finance Committee
- (ii) Transport Committee
- (iii) Catering and Supplies Committee
- (iv) Farm Committee
- (v) Health Committee
- (vi) Construction Committee
- (vii) Dakawa Committee
- (viii) Projects Committee
  - (ix) Logistics Committee

It is evident from the above that the director(ate) has taken upon itself certain tasks which are the preserve of the Treasury. At this point I should like to deal with the director's perception of Mazimbu/Somafco. To him Mazimbu and Somafco are one and the same - Somafco is Mazimbu and Mazimbu is Somafco. Everything in Mazimbu is amcillary to or supportive of the educational effort at Somafco. All "projects" as we call them (or small industries) in Mazimbu are,

according to him, there either to minister to the needs of the College or provide scope for vocational training for the students or act as centres for manual work in order to obliterate in the minds of the students the artificial dichotomy between "manual" and "mental" work.

With such a view of the situation in Mazimbu, it was thus an easy task for the director to have all sectors in Mazimbu subordinated to the director(ate).

The office of the Special Representative of the TG's in East Africa is thus seen as a threat to the administrative apparatus that has been set up. That is why we were met with such arguments as that the structure we were mandated to implement "cuts across all existing structures". The truth of the matter is that the directorate has cast its nets for and wide. Inevitably it cannot handle all the areas, it has placed under it, with equal effectiveness. Besides the members of the directorate with due respect, have not been exposed to business administration. They are no doubt specialists in their particular fields. To make a good job of their work they need to concentrate on these fields and not venture into areas where the angels fear to tread.

The point I am making is that HQ ought, as a matter of urgency, to intervene and clearly define the scope and field of authority of the directorate of set up a new administrative structure in line with the demands of the situation. This, in my view, would go a long way towards harmonising the relations between the TG's Representative and the directorate

TEMBA LUXOMO

Lusaka 4th March, 1983

minima ) mon