

Edwin Mtei, Arusha

I am a coffee farmer out of pride: After I resigned from my post as Minister of Finance and Planning (see below), I was determined to be self-employed and earn my own living from my own hard work.

I must also add that I find farming healthy for old people. Although my son now manages the farm, I walk through the farm everyday, making sure that things are running properly. I am sure that is partly why I am still fit and have not grown obese.

Regarding my story, I was born in Kilimanjaro in 1932, on a farm with coffee planted by my grandparents. When I was thirteen and in junior secondary school, my father died; and life became difficult. The following year, when I had to choose between continuing in secondary school and going to a trade school, I opted to go to train as a tailor as I felt my family could not afford the school fees, and was anxious to support myself as soon as possible. That same year, however, the Chagga Council decided to pay all secondary school fees for pupils emanating from its area of jurisdiction. So I was saved. But for that, I would probably have been a tailor.



In 1953 I went to Makerere University, and four years later graduated top of my class. I did not get offered the job I had applied for in the Tanganyika Colonial Administration; instead I joined East African Tobacco Company. For two years I found myself as a salesman, driving in a Land Rover around Nairobi and its suburbs, with loudspeakers, advertising and selling cigarettes and allied tobacco products.

I joined the Central Secretariat of the Tanganyika Civil Service in 1959, just as independence fever was sweeping through the old British colonies. For us, independence came in 1961, and I remember celebrating that event very hard because I was newly married and in a newly created country, enjoying my job in a fairly senior position at the Secretariat. At the beginning of 1963, I was seconded to the East African Common Services Organisation (EACSO) and so

returned to Nairobi. My secondment to EACSO however only lasted until September, 1964 when President Nyerere recalled and appointed me Permanent Secretary to the Treasury.

It should be explained that EACSO was an attempt in 1961 to continue with the East African common market and other common services established during British rule, in the new environment of the sovereign state of Tanganyika co-operating with the other East African countries which were nearing independence. The political leaders of East Africa had agreed that as soon as Kenya got independence, they would form a Federation whose government would then resolve problems which had been the source of complaints by the members of EACSO. Indeed soon after Kenya's independence in December 1963, Ministers from the three partner states and other officials embarked on drafting a constitution for an East African Federation.

As the exercise for drafting a constitution went on however, some leaders in Kenya and Uganda began to have second thoughts. When in mid-1964 President Kenyatta was quoted in the press as saying that the declaration that they would form a federation was only a ploy to hasten the British to grant independence to Kenya, the exercise was called off. In the case of Tanzania, it was decided that EACSO must be drastically reviewed.

An aspect of East African co-operation which confronted me as I reported for duty as Permanent Secretary to the Treasury was the role of the East African Currency Board on which I served as Tanzania's representative. Early in 1965 the three Governments resolved that the Board had to be wound up, and that monetary co-operation in East Africa would henceforth be through conventional national central banks rather than through maintaining the Currency Board.

The formal announcement of winding up the Board was made during the 1965 budgets of the three governments and from then we embarked on preparing for the establishment of the central banks and the launching of national currencies. In October, 1965 I was appointed Governor Designate of the proposed central bank as the drafting of the legislation got under way. It was when the Bank of Tanzania Act was legally operative on 6 January, 1966 that I became Governor. The launching of the Tanzania national currency took place on 14 June, 1966 and I continued to serve as Governor until April, 1974 when I took over as Secretary General of the East African Community, established by treaty in 1967 to carry out the functions of EACSO. When EAC collapsed in 1977, I reverted

to the Tanzania Government and was appointed Minister of Finance and Planning.

During my term as Governor, I used to raise many matters of concern on economic policy and management, either in memos or in discussion with the President, the Minister of Finance or in the Economic Committee of the Cabinet to which I was always invited. For instance during the deliberations leading to the Arusha Declaration, at which I was an observer, I candidly expressed my reservations on the impact of the proposed decisions and especially on the capital flight engendered. I also criticized subsequent measures like the massive villagisation exercise between 1971 and 1973 which had almost immediate negative impact on economic growth and food production. But my pleas were as effective as playing a guitar to a goat.

Although I held views critical of the general trend of things, I accepted to serve as Minister in 1977 in a spirit of constructive engagement, believing that I could play a part in improving matters whilst in rather than out. Commodity prices were high, especially for coffee, our external reserves were high and I was optimistic. However in 1978, Idi Amin of Uganda ordered his army to invade Tanzania, and we had to use all our resources to drive out his army and even chased Amin from Uganda into exile.

Concentrating on the war meant exhaustion of our resources and abandoning projects for improving our infrastructures for economic and social services. After the war, as minister I approached bilateral and multilateral donors for assistance to repair the damage, and we reckoned we would immediately need about US\$ 375 million. The bilateral donors insisted, as usual, that we should reach agreement with the IMF first. Our currency had become very much over-valued as a result of the inflation caused by undue use of bank financing during the war and the financing of deficits of the near-bankrupt public corporations. The IMF therefore required us to devalue the Tsh and to review the management of our parastatals before they could give us balance-of-payments support. In the negotiations, I was able to get the IMF to scale down their demands on devaluation and make them accept that we would examine individual public corporations to see how they could be restructured to perform better.

When I explained this approach to the President he was quite categorical that he would not accept any devaluation and that he would review the parastatals only at his own timing. He implied that he would not be dictated to from

Washington, and as I felt he was being advised by people who were not conversant with the real situation, I tendered my resignation.

After my resignation, I was determined not to work with a private company or as a consultant. I was able to swap my house in Dar es Salaam with this twenty-one hectare coffee farm, which I have owned and run ever since. There was however a period of four years between November 1982 and November 1986 when I served as an Executive Director of the IMF in Washington D.C. on the instigation of President Nyerere who continued to treat me with favour in spite of our earlier differences.

As a coffee farmer I have been an active Member of the Tanganyika Coffee Growers' Association, serving as its chairman for over 15 years. When in 1992 the Constitution of Tanzania was amended to allow for multiparty politics, I participated, with other like-minded Tanzanians, in founding Chama cha Demokrasia na Maendeleo (CHADEMA) and served as its national chairman until 1998. And as many coffee stakeholders know, I served as Chair of the Board of Directors of the Tanzania Coffee Research Institute from its inception until 2008.