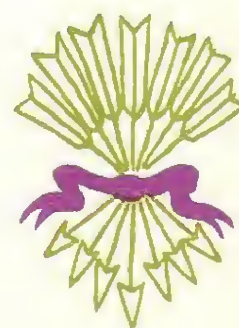


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MOZAMBIQUE





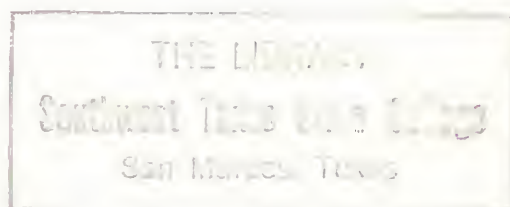
*Overseas Companies of Portugal
Mozambique.*

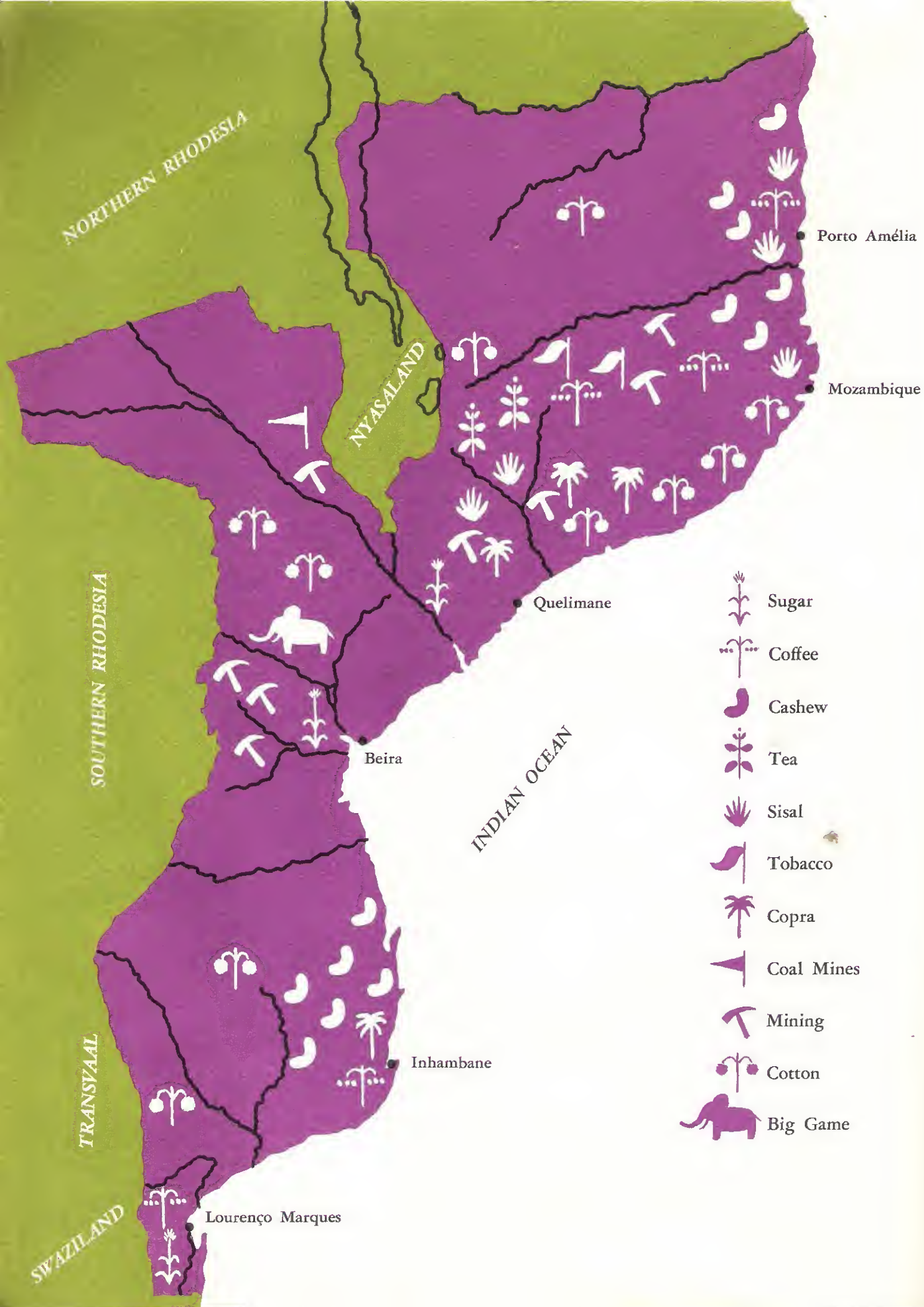
PORTUGUESE EMBASSY
WASHINGTON

This booklet on Mozambique is designed as a sequel to one on Angola, which the Overseas Companies of Portugal brought out last year. I feel that it fills an important gap in the study of African affairs in this country, since little has been published here about this great Portuguese province in East Africa. Mozambique differs widely from Angola in many respects but it is no less rich and varied a land and it has an exciting future. With its fine harbors and extensive railroad systems it is also the most important gateway to the heart of Africa today. I therefore hope that the general facts and information contained in this booklet will be of more than passing interest.

Pedro Theotônio Pereira

Pedro Theotônio Pereira
Ambassador of Portugal





GEOGRAPHY



Mozambique is Portugal's second largest overseas province in Africa. Stretching for over 1,750 miles along the south-eastern seaboard of Africa, it appears on the map to be virtually all length and little breadth. In fact its boundaries, which were finally drawn only in the 19th Century "Scramble for Africa" tend to compress and expand the territory into a somewhat odd shape, although there are natural delineations. In contrast to the long coastline the relatively narrow hinterland varies in width from a mere 30 miles in the south to almost 400 in the north. Nyasaland pokes a long finger of territory into the northern half of the province and the Zambesi virtually divides the total land

area of 314,000 square miles into two equal halves.

Unlike Angola, Portugal's other great overseas province in Africa, Mozambique has little topographical diversity. The whole territory is relatively flat and bush-covered. The land rises gradually from the coast to the hills and mountain ranges which form the natural frontier with Southern Rhodesia in the west, and around the area of Lake Nyassa in the north. There are none of the dramatic escarpments, deserts and equatorial forests, which make Angola so full of scenic variety. Nevertheless, Mozambique has a charm and distinction of its own, and although many parts of the interior appear to

lack interest, the long coastline with its palm-fringed white beaches and sweeping bays is of great beauty. Here again there is some similarity with California's geography.

Soils in Mozambique vary in quality from the reddish, sandy variety which are to be found in narrow strips along the coast to the heavy, bottomlands of the alluvial basins formed by the Limpopo, Save and Zambesi Rivers. In the

hinterland between these river basins the land tends to be sandy bushlands, which are unproductive on account of the low rainfall but which are well suited to cattle raising because of the quality grasses which grow there. South of the Limpopo River and stretching down as far as the Zululand border are the rich, fertile lands, which are highly suitable for agriculture and cattle raising. This is the area which to date has been the

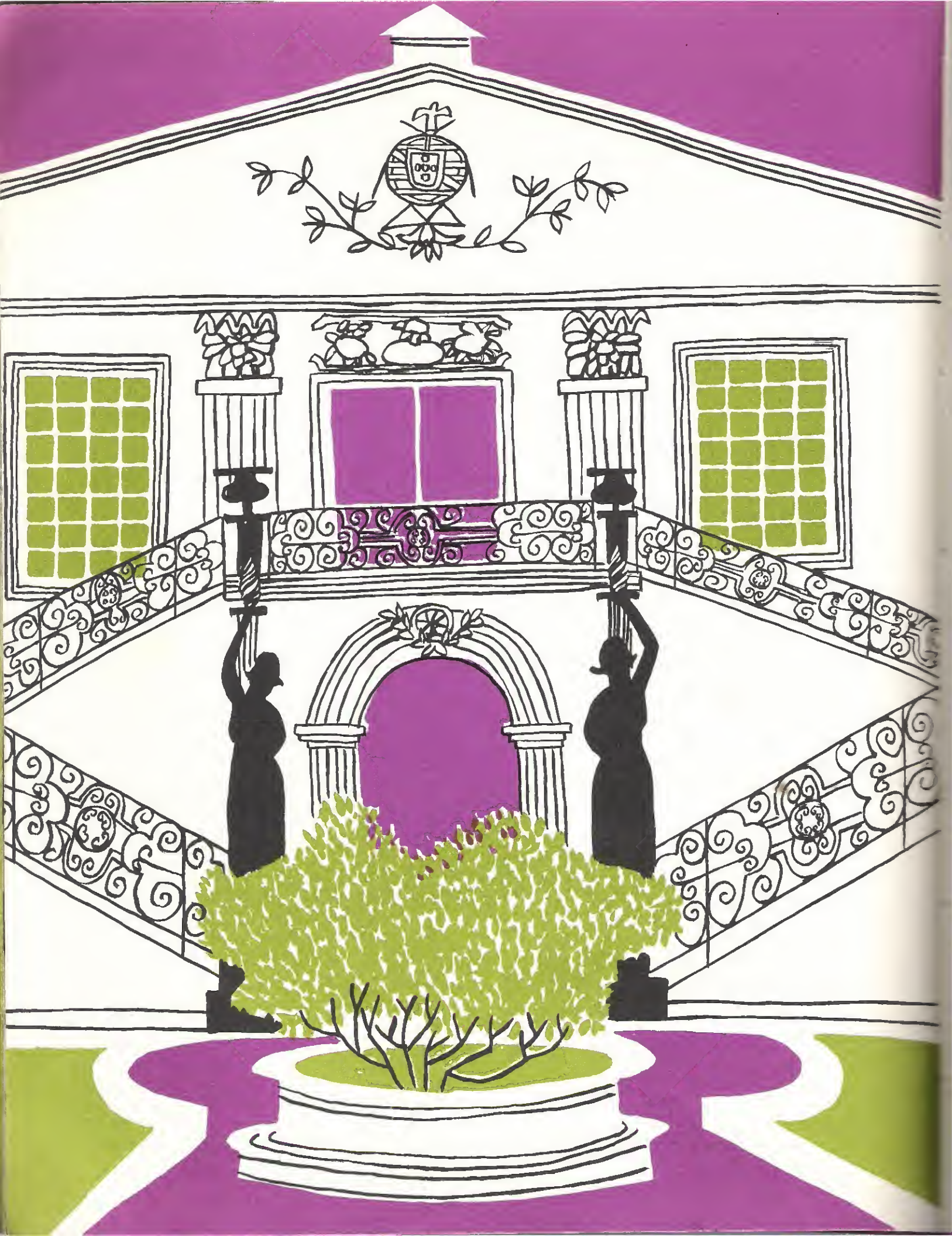


most heavily developed and populated.

Although Mozambique extends through both temperate and tropical zones, there is no considerable variation in the temperature; and seasonal variations are marked more by "rainy" (November-March) and "dry" (April-October) periods. Annual rainfall averages 15 inches and is heaviest in the north particularly in the tea-growing area near the Nyasaland border. Here, where the

monotony of the landscape is broken by weird rock outcrops (some rising to over 8,000 feet) and blue-smudged mountain ranges, can be one of the potentially most attractive areas for settlement and development. The climate is healthy and temperate and the open country with its rich soils is ideal for agriculture and settlement. Unfortunately it suffers at the moment from a lack of good communications.





HISTORY

The Portuguese connection with Mozambique goes back to the days of Vasco da Gama and the early Portuguese expeditions which set out in search of the legendary world of Prester John. When Vasco da Gama visited the East African coast on his pioneer voyage to India and back (1497-98) he found that the region was dominated by a string of Arab and Arab-African (Swahili) settlements stretching from Somaliland to Sofala, the great gold entrepot in the south near present-day Beira.

Portuguese control was swiftly established along this coast and in 1505 King Manuel, rightly surnamed "The Fortunate," ordered forts to be constructed at Sofala and the island of Mozambique in the north, which soon became an important refueling and watering-place for Portuguese ships en route to and from India. Mozambique's connection with India remained very close and it was not, in fact, until the middle of the 18th Century that the Portuguese settlements there were detached from the control of the viceroy of Portuguese India at Goa and given the status of a separate territory. Mozambique Island remained the headquarters of the Portuguese possessions in East Africa until the capital was transferred to Lourenço Marques in 1898.

Through Sofala the Portuguese could control much of the rich gold trade coming down from the interior. The pattern of their trade along this part of the coast followed that of their Arab and Swahili predecessors, and was based on the bartering of Indian beads and

textiles for gold-dust, ivory and slaves. Although the Portuguese did not succeed in supplanting the Swahili traders who travelled in the interior, many of their own men likewise ventured far into the bush in search of gold and ivory. They were particularly eager to establish contact with the legendary "empire of Monomatapa" which was believed to be fabulously rich in gold and silver mines. Monomatapa was in many ways to the Portuguese equivalent of the Spanish dream of El Dorado, and, as with the South American mirage, many lives and much energy were spent in pursuit of it.

One of the results of the quest for Monomatapa was that the Portuguese early established themselves along the Zambesi Valley, which was the main highway into the interior; in the 1530's they founded settlements at Tete and Sena. Later they pushed up the river as far as Zumbo near the present-day frontier with Rhodesia.

Nevertheless the depth of this penetration by way of the Zambesi Valley contrasted markedly with the shallowness of Portugal's hold along the coast and it was not until the last quarter of the 19th Century that effective occupation of the territory was completed. Enormous strides have been made since then, particularly in the last two decades and today the 16th Century Portuguese dream of finding an African El Dorado in this part of the world has been realized in the more prosaic form of agricultural settlement schemes and industrial expansion.



THE PEOPLE



When the last census was made in 1960, the total population of Mozambique amounted to just over six and a half million people. Of these the vast majority are of Negro stock and there are nine main ethnic groups subdivided into innumerable tribal groupings. Most of the Negro population are of Bantu extraction although there are communities of Arab and Swahili to be found along the coast, particularly in the north. Although the tribal unit continues to play an important part in the native social structure of the country, there has been

an increasingly marked trend away from the tribe to the urban centres, particularly to the two great ports of Beira and Lourenço Marques and also to seek work in the Union of South Africa and the Rhodesias (see section on "Labor").

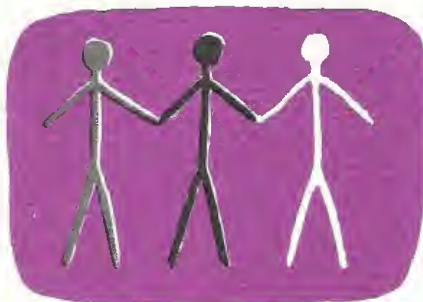
The 1960 census shows that the European population of Mozambique numbers just over 100,000. Most of the European population are concentrated in and around Lourenço Marques, the Zambesi district and the north. There is certainly a need for increased immigration in Mozambique as there is a

great deal of excellent agricultural land awaiting cultivation there. There is also a need to increase the internal purchasing power in the country in order to expand and develop the many industrial possibilities.

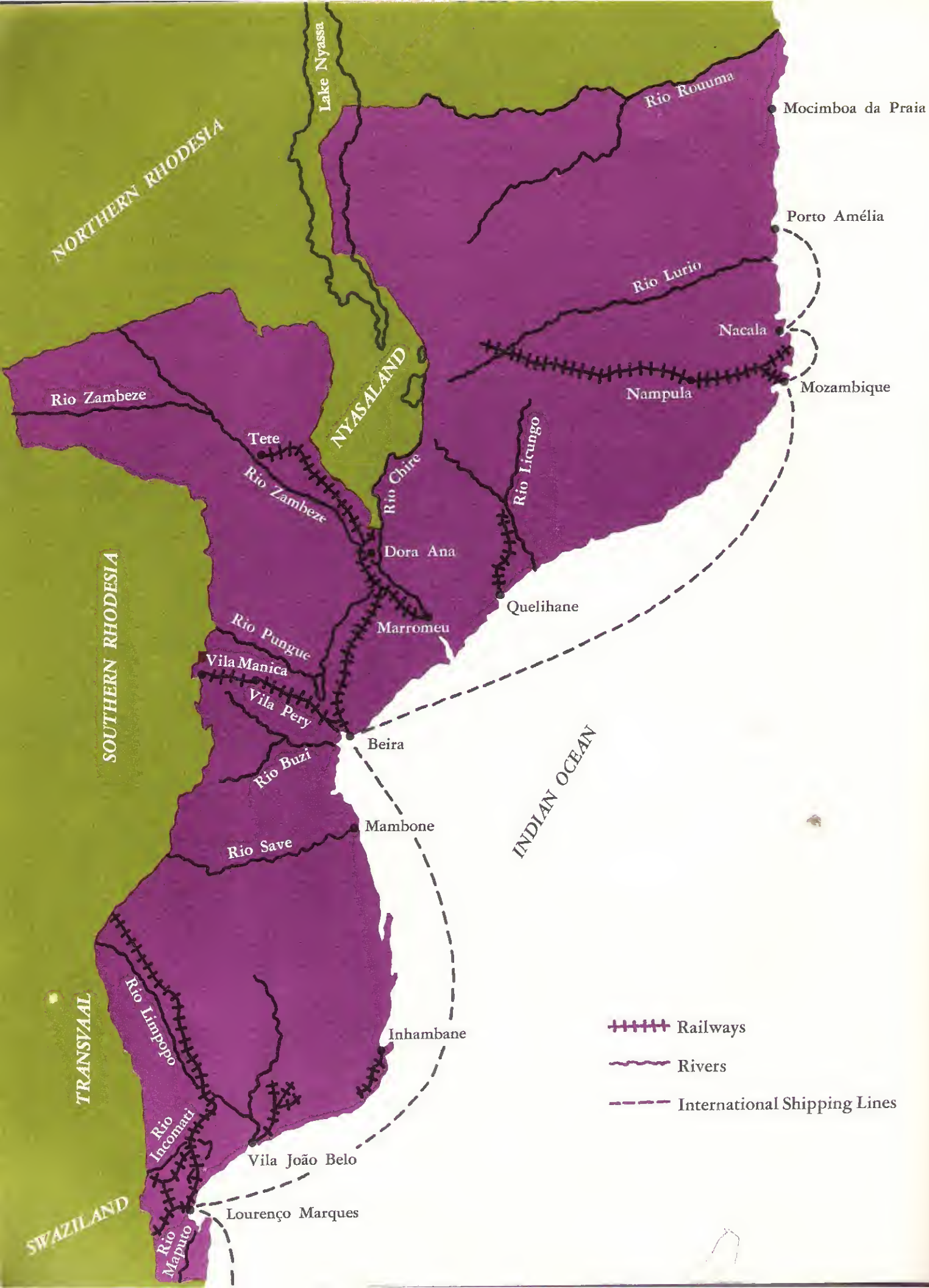
Apart from the European community, there are also some 20,000 Portuguese of Indian descent living in Mozambique and they play an important role in the territory's commerce; and a 2,500 strong Chinese community (mainly from the Portuguese province of Macau) also adds to the racial mixture, which is so clearly apparent in every walk of life in the Portuguese territories overseas.

This multiracial background, which has been such a marked feature of Portuguese expansion overseas, is as no-

ticeable in Mozambique as in the other Portuguese territories in Africa, although it does not reach the proportions to be found in places such as the Cape Verde Islands where over 90% of the population are of colored origin. There are an estimated 50,000 mulattoes in Mozambique; that is to say first-generation offsprings of mixed marriages. But a far higher proportion of the population have some degree of colored blood in their veins. Multiracial societies are particularly evident along the Zambesi Valley around the old town of Quelimane, as it is in this area that the Portuguese have been settled the longest. Many of these people of mixed descent play an important part in government, professional, and technical work.







GOVERNMENT AND CITIZENSHIP



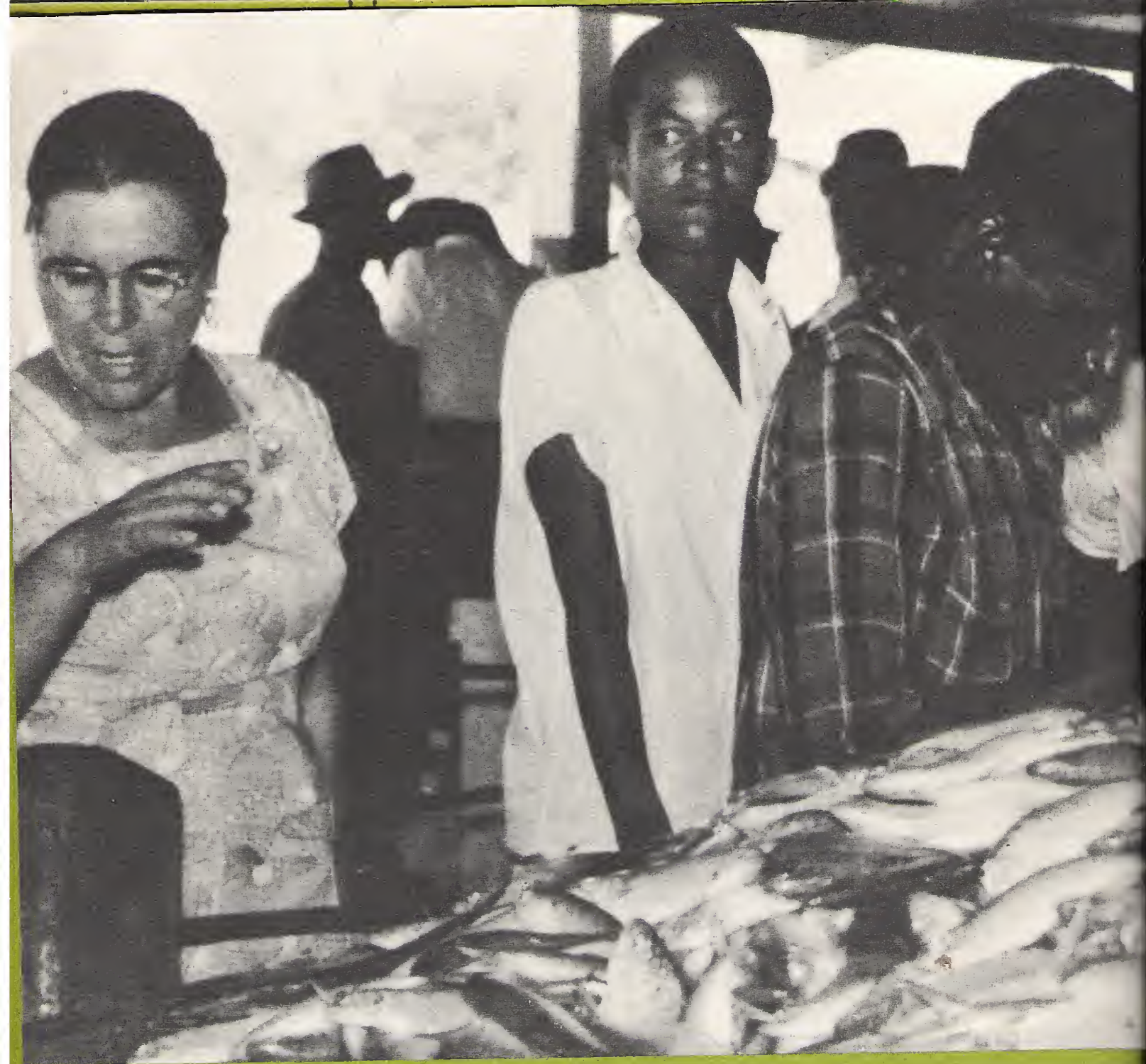
Mozambique, like the other Portuguese overseas provinces, is considered to be an integral part of Portugal. As John Gunther stated in his book, "Inside Africa," "technically they (i.e., the Portuguese overseas provinces) do not differ from the suburbs of Lisbon, and from the point of view of administration, politics, law and so on, they are as much a part of Portugal as the Orkneys are part of the British Isles."

Executive responsibility in Mozambique, as in Angola, lies in the hands of the Governor-General, who is appointed from Lisbon. He is assisted in his work by a Secretary-General and four Provincial Secretaries of his own choosing. There is also a Government Council, which acts as a kind of Cabinet to the Governor-General and a Legislative Council which consists of 16 elected and 8 nominated members, and

which is competent to legislate on virtually all matters of provincial interest. In addition an Economic Co-ordination Council was established in 1959 in order to prepare the ground on economic matters, particularly tax changes, etc., and make recommendations to the Legislative Council accordingly.

Following on the Angolan crisis there has been an increased attempt to streamline overseas administration and to decentralize where possible. The Overseas Council was convened in Lisbon in October 1962 to study just this problem and several new reforms are now expected in this field. In the meantime the number of elected representatives from Mozambique to the National Assembly was raised from three to seven.

The province is divided for administrative purposes into nine districts each with its own local governor. These



districts are further subdivided into municipalities and circumscriptions. The whole system of local government in the Portuguese overseas territories is at present under review and several reforms, particularly in the administration of small rural communities, have already

been put into effect.

The inhabitants of the Portuguese territories have equal voting rights "without distinction of race, religion or culture," that is to say that full political and civil rights are extended to natives of Mozambique just as they are to the



inhabitants of Metropolitan Portugal and the overseas provinces, and all the citizens in the province are eligible to vote for their representatives in the National Assembly and for the elected members of the Legislative Council, the Municipalities and the local community

councils. They are also eligible to vote in the national presidential elections which are held every seven years. The franchise is the same as in Portugal, i.e., universal adult suffrage based on being either literate, or a taxpayer, or a householder.

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EDUCATION



The expansion and development of educational facilities in Mozambique has been one of the main concerns of the provincial government in recent years and some promising progress has been made. A new sense of urgency has been brought to bear on this problem, which is one of great importance throughout Africa.

There are approximately 3,500 educational institutions in Mozambique today with a total of 432,552 pupils. Over 410,000 of these pupils (approximately 40% of all eligible school children of Mozambique) attend the 3,217 primary schools, which are to be found throughout the province. Because of the language problem (9 major dialects with several sub-dialects) the majority of these primary schools are specifically designed to adapt Africans to the knowledge of the three "R's" (reading, writing and arithmetic). Most natives attending these schools continue their education in

a normal primary school after passing an entrance exam, which decides at which level they will start. 100 new primary schools of this type are planned for the academic year 1961-62 and these will be followed by as many as are considered necessary to give maximum primary coverage throughout the province.

There are six government "lyceums" in Mozambique with an attendance of about 5,000 pupils and there are also 23 privately-run high schools, which receive a certain degree of government aid. Instruction is also given at secondary school level in seven night schools to 750 adult pupils.

Due to the great demand for skilled workers, a high percentage of students, having completed their primary education, choose to learn a trade. There are 106 official trade schools in Mozambique offering courses covering a whole range of technical and professional skills. Besides these there are also six agricultural

schools with courses ranging from elementary farming techniques to estate management. An agricultural college, offering a full scale teacher's diploma is also planned for the near future. There is a pressing need to develop the scope and number of these technical schools and two Technical Institutes are shortly to be established (one in Beira and the other in Lourenço Marques) which will provide the intermediate course between secondary school education and university.

Plans to establish education at a University level, both in Mozambique and Angola, are also coming close to being a reality. The first steps have already been taken and university courses should start both in Mozambique and Angola towards the end of 1963. In the meantime holiday courses at University level are organized during the summer vacations and a large amount of bursaries are given annually for students from the overseas provinces to study in the Universities of Metropolitan Portugal.

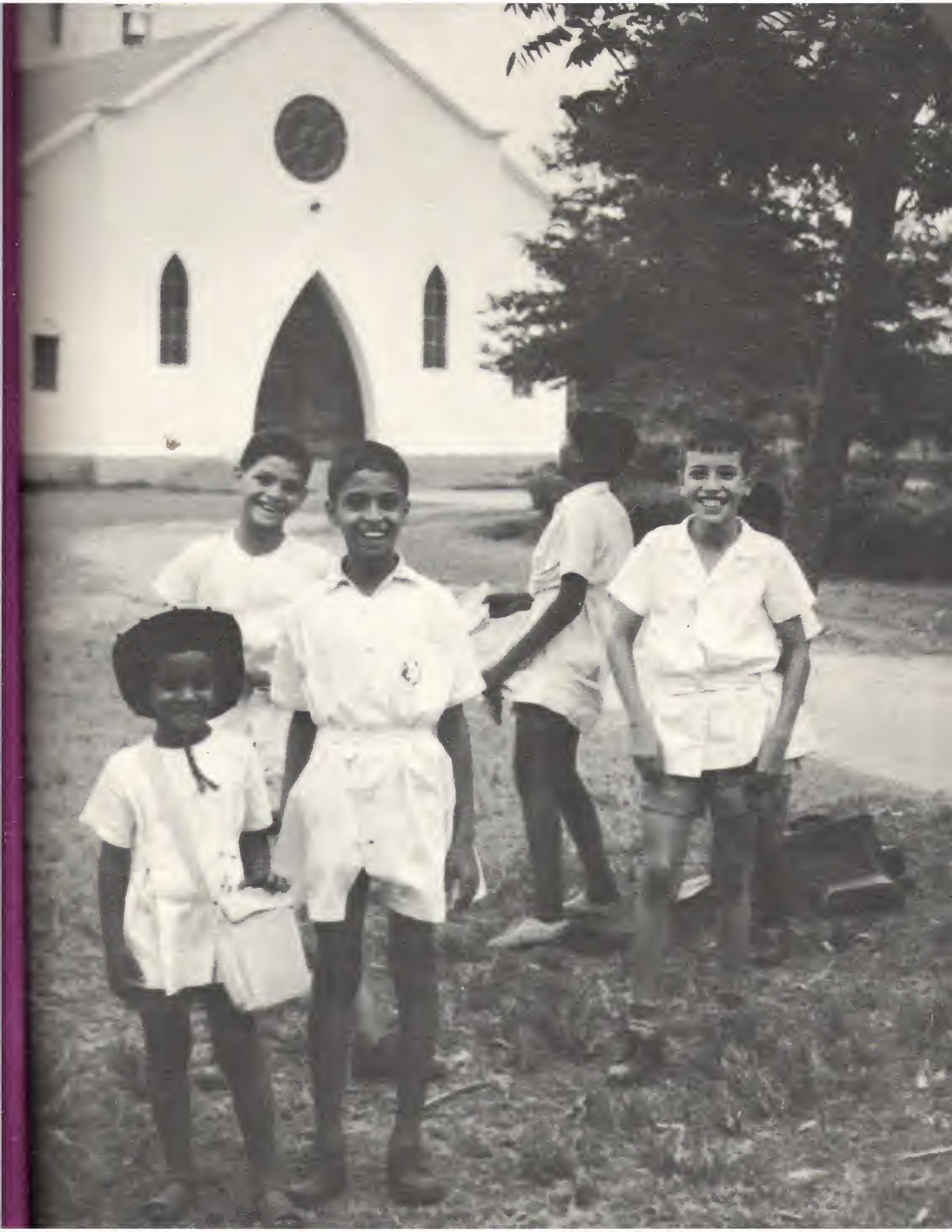
One of the problems which has to be met is the pressing need to get suitable teachers for the province's numerous rudimentary schools. There are six colleges for the training of African teachers but these are still inadequate to meet the demand. Under the direction of a well-known woman educator, who is at present obtaining a doctorate in the U. S., there are three schools for backward and problem children in Mozambique.

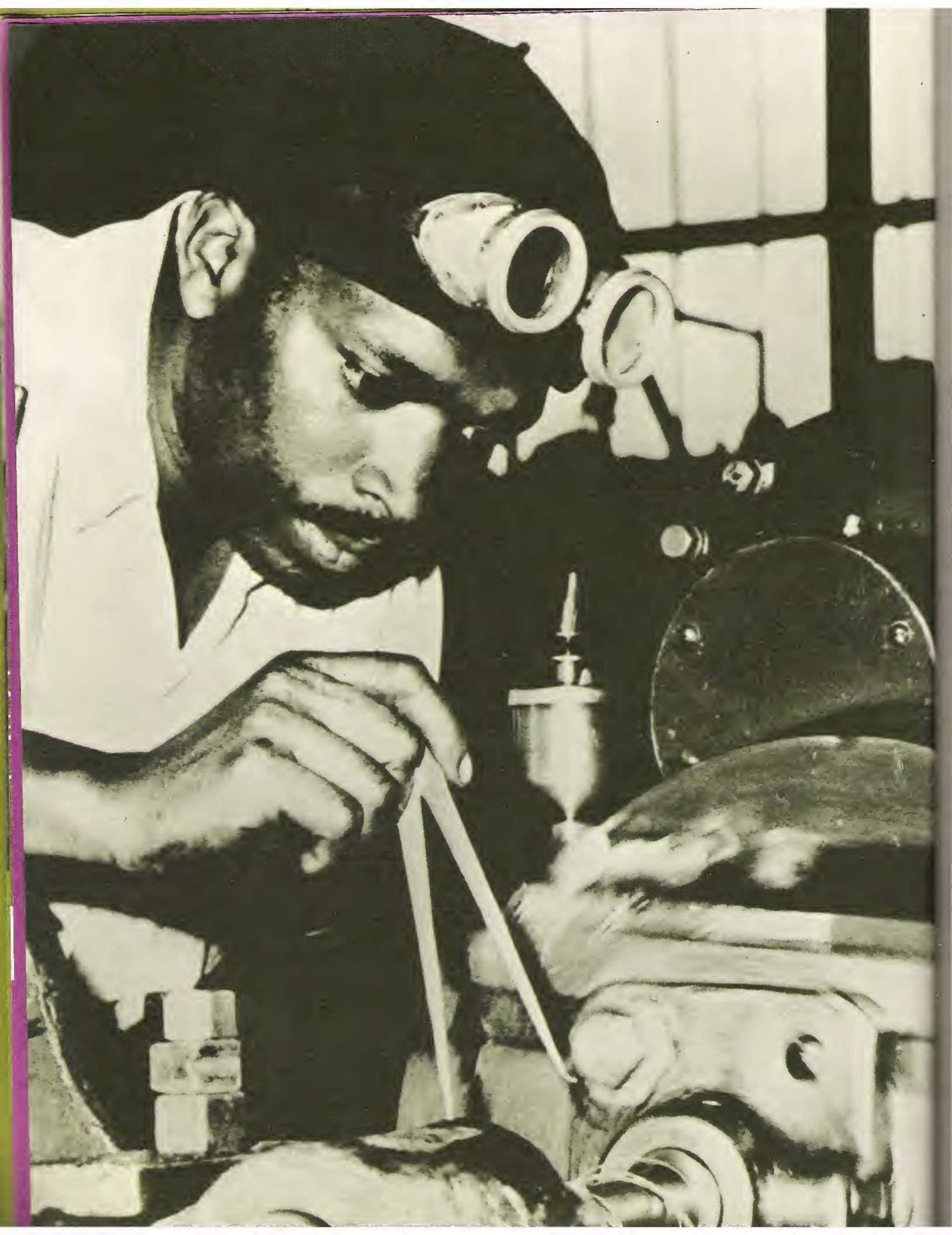
One of the more interesting devel-

opments in the province's education program has been the establishment of what is known as a "Psycho-Social Service." This consists of mobile brigades and a broadcasting service and the aim is to try and raise the social and cultural standards of natives living in isolated areas.

The radio program broadcasts from four radio centers in five of the regional dialects and there is an average of 27 hours broadcasting every week. There are plans to increase broadcasting to 80 hours per week beginning in 1963, and at the same time to bring in two more dialects. This would enable 98% of the population to be reached. Programs include teaching of simple Portuguese, sanitary education, hygiene, agriculture and domestic subjects such as child care etc., and music programs.

Twenty mobile brigades are at present working in the more isolated parts of the province each spending three months in the field and one back at the base. This number will be increased to 40 brigades by 1963. Each brigade consists of six highly trained members who besides teaching by demonstration better farming methods, diets, sanitation, language, child care, etc., have the task of studying the needs and aspirations of each group, ascertaining problems, studying ethnic background and cultural levels in order to work out courses. One of the most important aspects of the work of these brigades will be to broaden the contact between the 60-odd ethnic groups and the rural and urban populations of Mozambique.





LABOR



Labor recruitment in Mozambique has never posed quite the same problems as it has in Angola but the mere fact that the 6 million native inhabitants of the province are spread over an area of over 300,000 sq. miles and tend to concentrate in urban areas, makes recruiting, particularly for the large agricultural concerns, sometimes difficult. Nevertheless recruitment for these concerns is subject to strict government supervision and a whole complex of labor legislation (some of it the most advanced of its kind in Africa) protects workers from abuses. Portugal is a member of the International Labor Organization and a recent investigation by this organization into labor conditions in Portuguese Africa showed these to be of a high standard in many instances, particularly in the urban centers where most of the province's industry is concentrated and where there is little shortage of unskilled labor although a pressing need for more skilled workers and technicians exists.

A large number of laborers from Mozambique seek work in the South African gold mines every year. The recruitment for this labor force is regu-

lated by terms of the so-called Mozambique Convention, which was signed between Portugal and South Africa in 1928 and is organized by the Witwatersrand Native Labor Association, which provides all the necessary free transport and food for the miners. About 80,000 Mozambican workers go to the mines each year on a contract for one year. Quite apart from the advantages to be accrued from the good pay and working conditions, this stint at the mines has become something of a status, if not a virility symbol to many young men in Mozambique. It has certainly greatly increased the purchasing power of the Africans in the south of the province, which is the area where most of the workers are recruited. One has only to see the twice-weekly arrival and departure of Mozambique miners on their way to and from "John" (as Johannesburg is known) to note this enormous difference in economic status. Those leaving take little but the clothes they stand up in; whereas those coming back after their year's stint in the mines return in a veritable caravan of sewing machines, bicycles, new suits and radio sets.



HEALTH AND SOCIAL WELFARE



The health services of Mozambique have improved considerably, particularly in the last decade. The World Health Organization which has recently made a study of these services throughout Portuguese Africa, is to publish its findings shortly. Certainly medical and hospital care in both Angola and Mozambique bears favorable comparisons with neighboring African territories and in some respects, particularly with regard to child welfare and certain specialized units, these services are the finest in tropical Africa.

Most of the medical services in Mozambique are government controlled but a great deal of medical care and hospitalization is also given by commercial and agricultural concerns, the municipalities and the army. For the purpose of medical administration the province is divided into nine districts, which in turn are subdivided into "delegacies" (80 in all). Each of these has a dispensary and an infirmary and a small trained staff in attendance.

There are three major hospitals in the province and these are all due to be extended and modernized under the terms of the 2nd Development Plan.

There are also 12 regional hospitals in the smaller towns and a Training College for medical staff in Lourenço Marques.

Within the normal structure of the medical administration are various specialized services such as units combating leprosy, malaria, sleeping sickness and tuberculosis. The campaigns against leprosy (70,415 lepers received treatment in 1960) and sleeping sickness have been particularly effective, although the latter disease is extremely difficult to control since it involves the widescale elimination of the tsetse fly, which is a great scourge in this part of the world.

With the help of the World Health Organization, both malaria and tuberculosis are rapidly being completely controlled in Mozambique, particularly the former which has almost been completely eliminated from the province.

Infant mortality, which is one of the most serious health problems of Africa, has dropped to just over 10% which is very low for this part of the world. There are 179 maternities in Mozambique in addition to 126 dispensaries, which give pre-natal care and instruction to expectant mothers.



ECONOMICS



Agriculture

As is the case in Angola, the bulk of Mozambique's wealth comes from the land and most of the population of the province live by farming. Nevertheless the vast agricultural potential of the territory still remains virtually untapped and only a small percent of the total land area is at present under cultivation. Mozambique offers tremendous scope for agricultural enterprise. Within its borders one can produce almost every kind of crop because of the different altitude levels and with increased instruction in modern methods of farming the development of irrigation and hydro-electric potential, it is hoped that this rich potential can be developed and expanded.

Native farmers concentrate mainly on the cultivation of foodstuffs which they sell when they have a surplus. These consist mainly of corn, rice, manioc, groundnuts, maize, millet and potatoes. Among the many uncultivated crops which grow wild and which are collected by natives either for local consumption or to be sold to commercial concerns are cashew nuts, castor seeds, mafurra, mangrove bark and rubber.

In the north of the Province *Cotton* is without doubt the principal crop and accounts for over 30% of all visible exports of Mozambique. Production is mainly the responsibility of the Africans, who sell their goods to concessions at prices that since 1961 are equal, or higher to those of other nations or colonies of Africa. These concessions also distribute seed and give technical and other advice and help to native cotton producers. Classification, weighing, and payment of cotton is carefully supervised by the administrative bodies set up for this purpose. The bulk of cotton seed production is used by the oil factories of Mozambique and lint cotton is exported to Metropolitan Portugal as well as small quantities of cotton seed. Portugal has the exclusive rights of Mozambique's lint cotton production, which she buys at prices, normally 10% lower than those on the world market. Production is almost totally in the hands of the Africans who work freely, but the concessionaires help them in many ways and see that they cultivate the foodstuffs which they need for personal consumption. The concessionaires directed by the Cotton Board, renamed the Cotton Institute in 1962, managed, in the last 15

years, to double production and at the same time to decrease considerably the area under cultivation. A Cotton Research Institute has been established to help with the selection of seeds and pest control.

In 1943 Mozambique produced 62,156 tons of cotton seed (19,889 tons of lint cotton) as opposed to 139,740 tons of cotton seed in 1960 (44,716 tons of lint cotton). The value of the crop has also risen, from roughly \$2 million in 1942 to \$27 million today.

Cashew Nuts, which the Portuguese first brought to Mozambique from Brazil, grow well in the light, sandy soils along the coast. Today the province is the largest producer of wild cashew nuts in the world and the crop, most of which used to go to India for processing, is an important source of foreign exchange. In 1961 exports of this crop amounted to over \$10 million and this year the figure is expected to be even higher. Great efforts are being made at present to industrialize and expand the production of this crop.

Tea was first started in the Milange area in the North in the early 20's. The first plantations began growing China leaf but later changed to Indian. There are approximately 375,000 acres of excellent tea country in this area, although at present only some 38,000 acres are under cultivation. Tea exports amounted to more than \$8 million in 1961 and a 10% annual increase in production is expected mainly due to the opening of new plantations.

Sugar is one of the main crops grown

by Europeans and is in the hands of three large companies, which cover the complete operation from planting to semi-refining. Sena Sugar Estates, the largest of the three, employs 20,000 workers and is a well-organized and self-contained world of its own. It accounts for almost two-thirds of the total sugar production in Mozambique, which last year exported 133,843 tons of semi-refined sugar, mainly to Portugal.

Copra is another crop which is mainly produced on large estates. At Quelimane in the north can be found what is perhaps the largest coconut grove in the world; 2 million palms covering an area of some 45,000 acres. In this district alone there are an estimated 5½ million palms and production is mainly carried out by three large agricultural concerns, the chief one being the Companhia do Boror. The production of copra has almost doubled in the last few years.

Sisal is another highly-capitalized concern. There are 14 sisal enterprises in the province with 20 plantations. Exports amounted to 28,427 tons in 1961.

Wheat and *rice* are grown successfully by both Europeans and native farmers. Production of the former has received a great fillip with the establishment of the large new flour mill in Lourenço Marques and the latter, which has the potential of being one of the province's principal crops, is rapidly being developed.

Of the many other agricultural products which are grown in Mozambique, *tobacco* and *jute* are worth men-

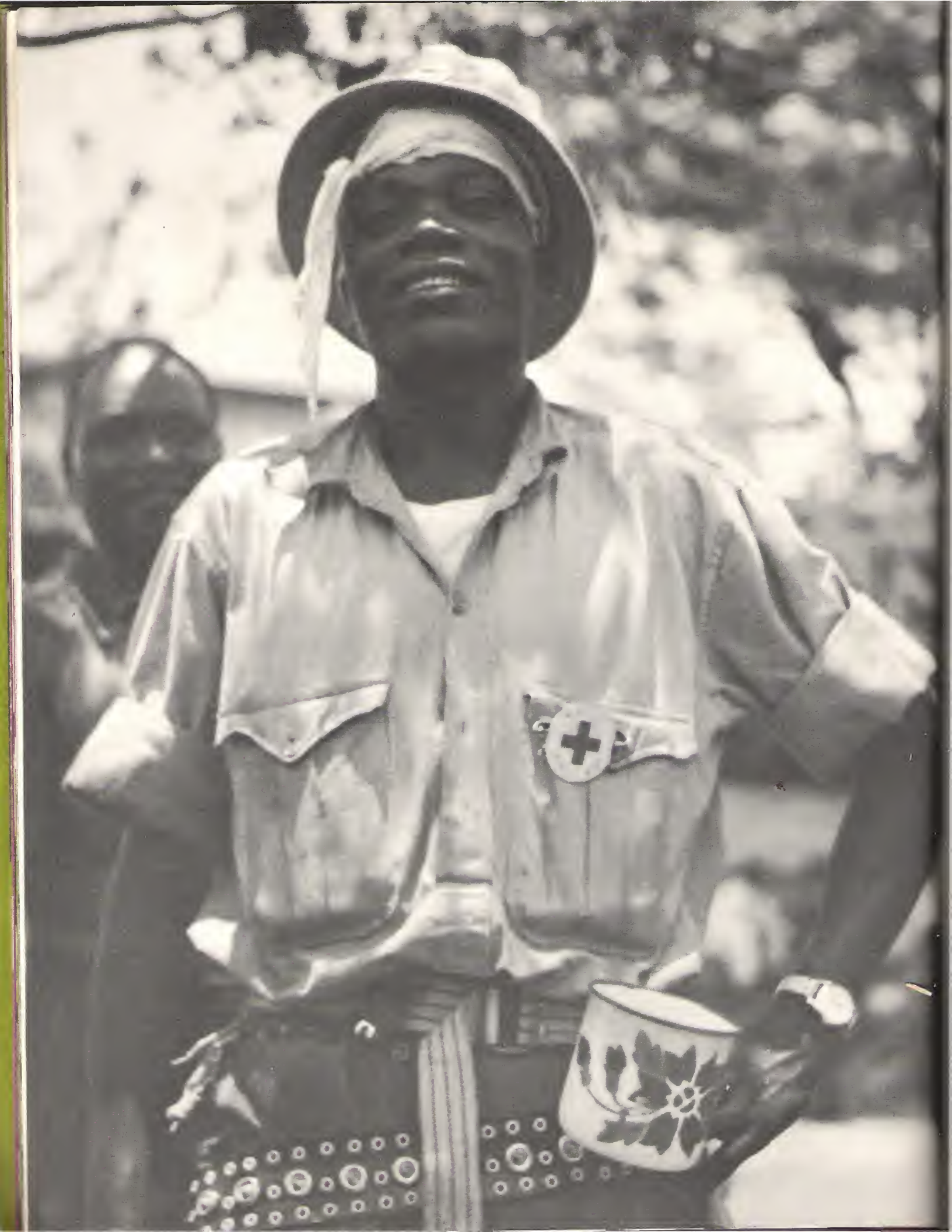
tioning. The production of both is at present being expanded, particularly the latter which, with government encouragement, is expected very soon to be able to meet the demands of the local market. There are also excellent opportunities for the expansion of the citrus fruit industry and market gardening generally. Not even the cities of Beira and Lourenço Marques are self-supporting in this respect, although Mozambique is one of the chief suppliers of *bananas* to the Union of South Africa.

Although cattle-raising in Mozambique is to a great extent limited by the scourge of the tsetse fly, there is a great potential in this field. The finest cattle country is to be found south of the Limpopo River and although there is a tendency to develop European-style ranching in this area most of the cattle still remain in African hands. The development of the dairy industry has been particularly effective and Lourenço Marques for instance has one of the most modern dairy installations in the world with an hourly capacity of 5,000 litres. Meat exports could well be increased although to do so would require a good processing and freezing plant as Mozambique's nearest neighbors (South Africa and the Rhodesias) meet their requirements from other sources.

As is the case in Angola, one of the more interesting developments in the agricultural sector, has been the organization of agricultural co-operatives, in which both peasant immigrants from Portugal and native farmers work together in multiracial communities. There

are two projects of this kind at present functioning in Mozambique, one known as the Limpopo Valley project and the other the Inhamissa settlement. The former began in 1954 with ten families from Portugal. Today there are 14 villages with some 560 Portuguese and 200 native families living and working there. There are also some 1,300 native families living outside the villages but in the irrigated area with average plots of 5 acres each. Each of the villages has a church, school, town hall, water reservoirs. Over 80,000 acres of land have been irrigated and another 500,000 set aside for grazing stock. Each settler is given a free plot of land depending on the size of the family, together with a house and barn and the necessary agricultural implements to start work with. The main crops which are cultivated are wheat, rice, cotton, barley and some corn. The full prospects of efficient market-gardening have yet to be explored. This is the kind of work which the Portuguese excel at, but it requires a more efficient co-operative and marketing organization than at present exists.

The Inhamissa settlement is on a smaller scale although there are many more native farmers working there. Almost 80,000 acres of land have already been cleared and it is planned to bring another 150,000 under cultivation in the next few years. These schemes, apart from their value as experiments both in agricultural development and multiracial living, can also play an important part in the development of the province's economy.



MINERALS



Although the old Portuguese dream of finding an El Dorado in this part of Africa has never been realized, the potential mineral wealth of Mozambique remains tantalizingly apparent. Minerals of economic value which are known to exist there are coal, gold, petroleum, iron, graphite, uranium, silver, copper, chromium, tin, tungsten, lead, perlite and certain semi-precious stones such as beryls and tourmalines.

Mineral exports to the value of just over \$2 million were recorded in 1961. The potential of the country is very much greater. Most of the mining is at present concentrated round the area of Vila Manica and Tete in the Zambesi Valley where there are rich coal deposits, which not only supply the need of the port of Beira but also exports to Nyasaland. Gold is also mined in a small way here as is Columbo-Tantalite, which fetches

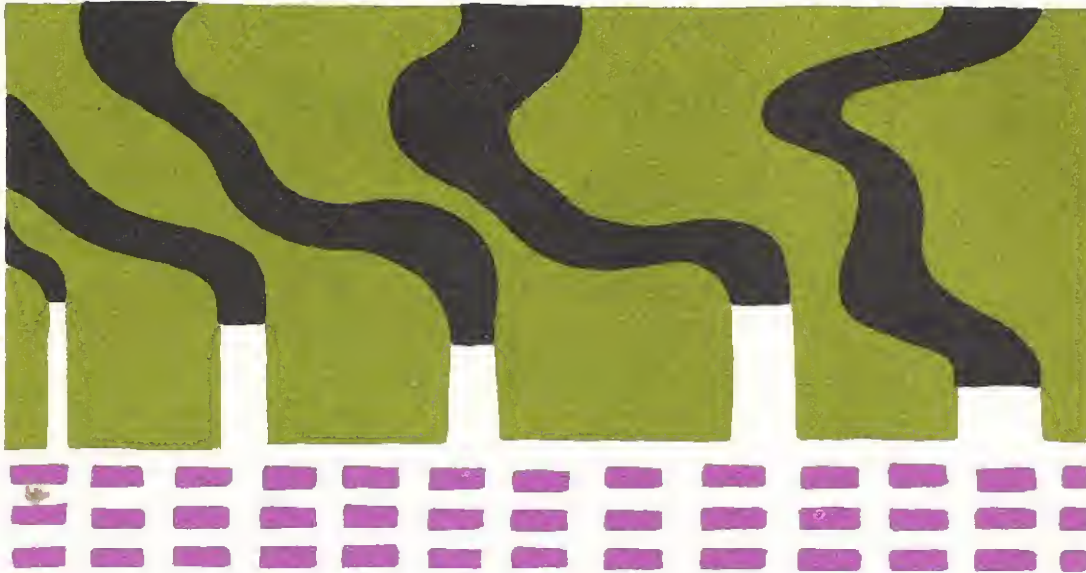
very high prices on the world market as a metal hardener. Certain radio-active minerals with uranium content have also been extracted and exported.

Mozambique's first oil refinery was opened in Lourenço Marques in 1961. At present it has an annual production capacity of 500,000 tons but this is soon to be increased to 800,000 in order to meet the province's requirements. Plans to start a bottled gas industry are also under way.

Mozambique Gulf Oil has the exclusive prospecting rights for oil in the province. They have been prospecting in the south for the past 15 years, but so far without success, although a large gas field has been located and tapped near the River Save. When and if oil should be found, the Government has agreed to give a 40-year exploitation concession to Mozambique Gulf Oil.



INDUSTRIALIZATION

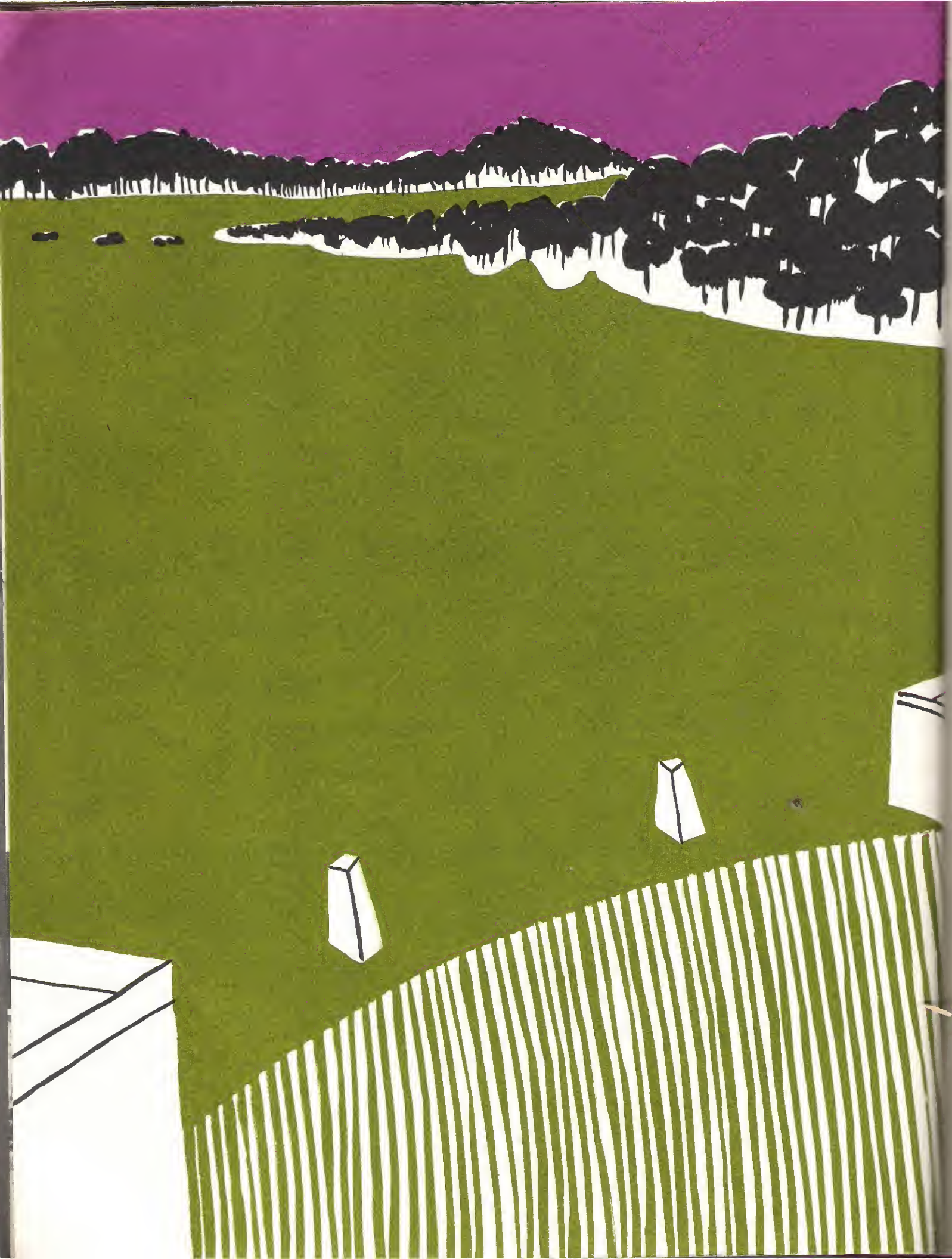


The rate of industrial development in Mozambique, particularly in the last decade or so, has been notable, but there is still much to be done and a concentrated effort is at present being made to broaden and expand the whole structure of the province's industry.

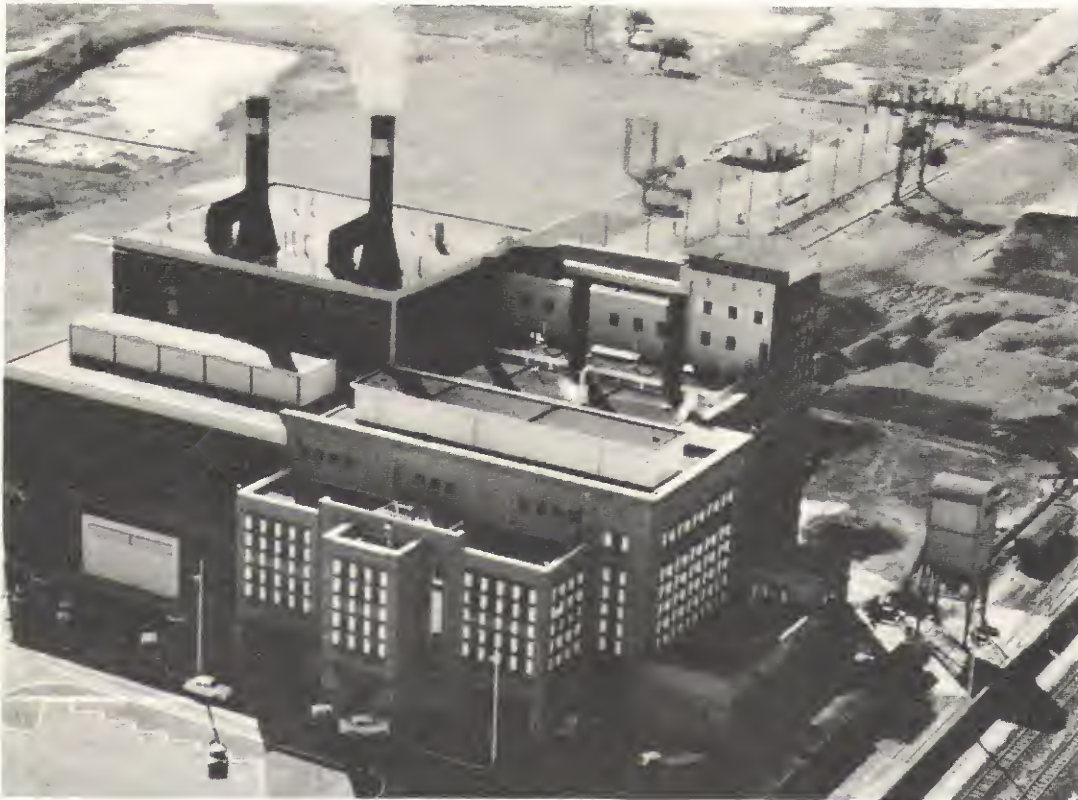
The principal manufactured products include textiles, tobacco, beer, cement, oils and soap, jute and coir fibre, flour, plastic goods, rubber products, saw milling and electric cables. A large number of licenses to establish industries are granted every year, although the problem of finding the necessary capital is often difficult (see sector on "Commerce & Foreign Investment"). In several industries, particularly those producing textiles and cement, investment preference is given to industrialists who are in the same line of business in Portugal; and factories there have to use raw materials from overseas whenever possible. This system of protection is not without

its flaws and there has recently been an attempt to iron out some of the anomalies.

With increased investment and government encouragement, the pace of industrial development can easily be accelerated. There are many good opportunities for expansion in this sphere. There is a very good market for textiles, for instance, but at present this industry suffers from competition with Macau which, being a sister province, enjoys duty-free status into Mozambique. The development of the coir-fibre and desiccated coconut industries are also "naturals" and there is a pressing need for a good cashew nut decorating plant. The tobacco, jute-fibre and vegetable-oil extraction industries have all made promising starts, but there is room for expansion in these fields. In fact, given the right incentives, there is almost unlimited scope for increased industrial development in Mozambique.



HYDRO-ELECTRIC POWER



One of the reasons for the relatively slow rate of industrial expansion in Mozambique has been an insufficient power supply. The province's major hydro-electric scheme is situated on the Revue River near Vila Pery. This scheme not only supplies power to this town and its sizable textile industry but also to Beira and the Rhodesian town of Umtali. Under the terms of the 2nd Development Plan (1959-64), this scheme is to be expanded and will have an average annual capacity of over 300 million k.w.h.

Surveys are at present being made to study the hydro-electric potential of the Zambesi Valley, which contains the greatest latent wealth of any area in the

country. Over a third of the River Zambesi's total length runs through Mozambique, forming a rich, fertile alluvial basin. By damming the two gorges at Laputa and Cahorabassa, the irrigable area would be in the region of 1,716,200 acres and the combined hydro-electric potential of these two dams would be about 60,000 M.V. If the project could be completed, the Zambesi Valley would undoubtedly become the most important economic asset in the country. It would certainly ensure a stable pace of mineral, agricultural and industrial development. The Cahorabassa gorge, for instance, is in the heart of the most highly mineralized part of the province where both copper and iron are known to exist.



COMMUNICATIONS



Ports & Shipping

A glance at the map of Mozambique shows that the problem of communications is basically one of linking a very extensive seaboard with a relatively narrow hinterland. From the first, therefore, development has been limited to the coastal ports giving direct access to the interior.

The length of the province's seaboard makes the question of harbors very important. Luckily nature has been very kind in this respect and there is a

whole string of excellent deep-water harbors with good anchorages along the coast.

Of these the two most important are undoubtedly the ports of Lourenço Marques and Beira. The former is one of the best equipped and safest harbors in Africa and it serves as a natural if not vital outlet for the trade of the Transvaal, Southern Rhodesia and Swaziland. It has 1½ miles of wharf with 58 electric cranes which can handle 18 boats of heavy tonnage simultaneously. Lourenço Marques handles well over 7 million

tons of cargo annually, and at present the facilities are being extended to allow for the installation of a large ore-loading plant with a capacity of 1000-1500 tons per hour; this is essential to handle the heavy traffic in iron-ore from Swaziland.

Beira, situated further to the north, is not so naturally well-endowed as Lourenço Marques due to shoals at the mouth of the harbor. Nevertheless it handles a considerable cargo and passenger traffic, particularly to the Rhodesias and Nyasaland. Its annual handling capacity is in excess of 3 million tons (1960 figures: 3,209,317 tons with 1,153 ships entering) and under the terms of the 2nd Development Plan more than \$1 million is to be spent on the extension and development of the port's handling facilities.

Nacala, Port Amelia and Quelimane are the three next most important harbors, but apart from these three there are numerous other natural harbors some of which are used for coastal and local traffic only. All these in time could be usefully developed.

Railways

Mozambique's railway network forms an essential complement to its port installation and together they constitute one of the province's major economic assets today. There are six separate railway systems in operation, all running inland from the seaports. There is no north-south railway link as yet although one is projected in the near future to run between Lourenço Marques and Beira.

Of these six systems, the one running up from Lourenço Marques to the

Transvaal in South Africa is naturally the most important. Freight carried on this line averages approximately 6 million tons per year. It is run by the Mozambique Transport Commission in close co-operation with South African railways.

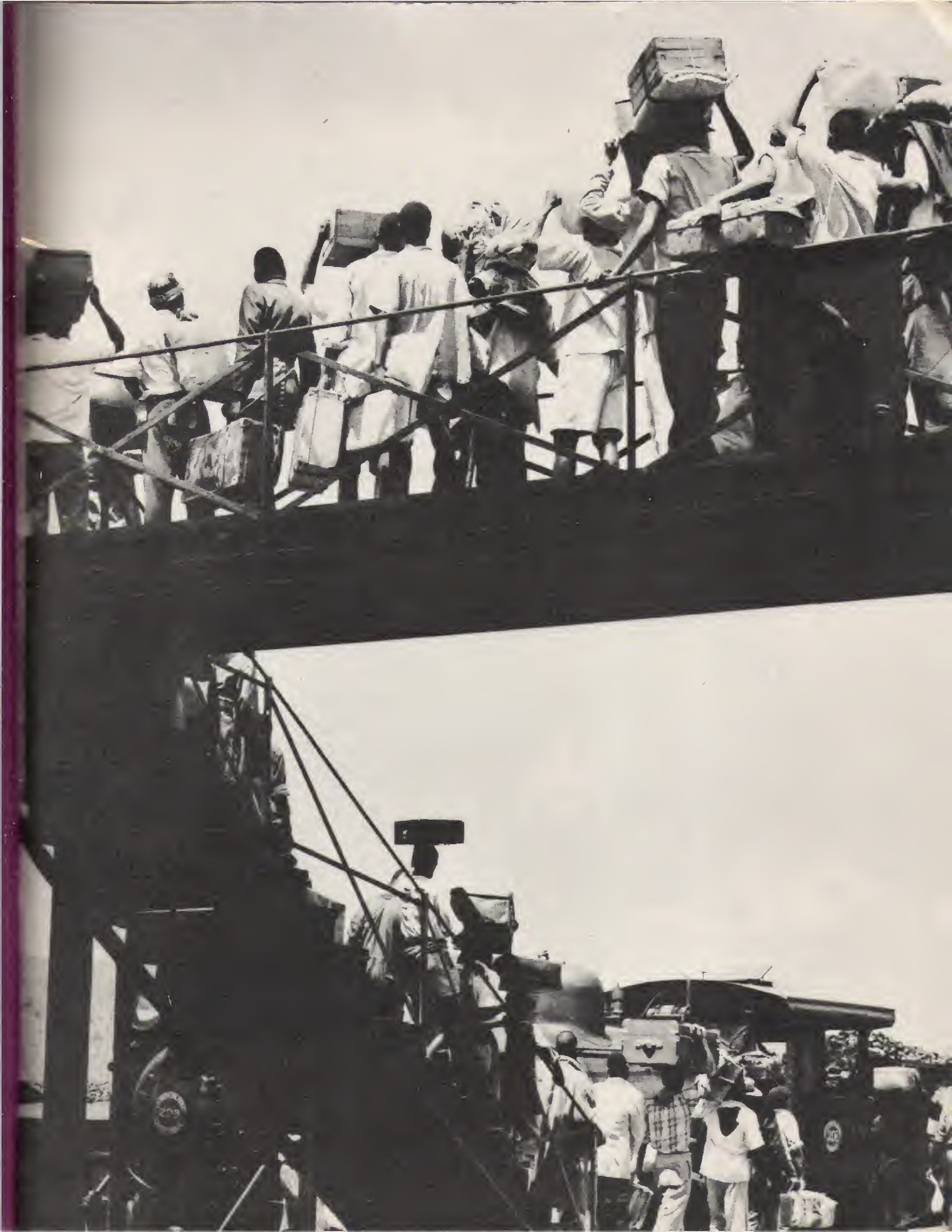
The railway which runs inland from the port of Beira, provides an important link with Southern Rhodesia and carries some 2 million tons of freight annually to and from this part of Africa. The Mozambique system farther to the north has yet to be completely extended to the highlands bordering on Lake Nyassa but when it is, it will provide another important outlet to the sea for a potentially rich area.

Roads

Roads in Mozambique have a total length of 25,000 miles although only some 3,000 miles of these can be considered first-class (1,900 miles asphalted). A new drive to improve road communications is scheduled under the terms of the 2nd Development Plan.

Civil Aviation

Because of the size of the province, air communications play an important part in Mozambique. There are three major airports and twelve smaller ones. A government-owned airline (DETA) runs regular services to all the important centers in the province as well as to the Rhodesias and South Africa. It has recently purchased three Fokker turbo-prop "Friendship" planes to assist in its internal services.





TOURISM



Mozambique has numerous touristic attractions, particularly in the form of good beaches and big game. Many visitors from South Africa and the Rhodesias go there annually attracted by the natural beauty and sporting possibilities of the country and the "continental" atmosphere of the towns and beach resorts. These visitors provide a much-needed addition to the province's foreign exchange and the government has made a concentrated drive in recent years to improve and expand hotels, restaurants and tourist facilities generally. Lourenço Marques is naturally the best equipped in this respect, apart from also being one

of the most beautiful sailing waters in the world and a fisherman's paradise, but Beira and some of the other smaller beach resorts, such as Xai-xai just north of Lourenço Marques, have an individual charm and attraction of their own.

Big game enthusiasts find Mozambique a haven. The Gorongosa National Reserve just inland from Beira is one of the best stocked game parks of Africa and annually attracts many visitors. Safaris are a comparatively new innovation and they need to be developed with care as Mozambique is one of the last strongholds of wild life in Africa, if not in the world.



COMMERCE AND FOREIGN INVESTMENT

The total value of Mozambique's foreign trade in 1960 amounted to just on \$200 million. About 30% of this trade is with Metropolitan Portugal, the remainder with foreign countries particularly South Africa, Great Britain and the U.S. (13% of imports and 6% of exports). The balance of the province's trade is normally adverse but this deficit is made up by invisible assets. These consist principally of the port and railway charges on international traffic, transfers of pay from emigrant African labor working in the South African and Rhodesian mines and the tourist trade. In recent years, however, this balance has not been well covered, with the result that there has been a steady decline in the accumulated balance of the Exchange Fund (which stood at \$10 million in 1960 as opposed to \$33 million four years previously). Stricter control of imports has been offset by the flight of capital from the country following on the Angolan crisis last year. Nevertheless the province's gold reserves (which have been built by means of an agreement with the South African Government concerning the system of deferred pay for emigrant African miners) are maintained at around \$40 million i.e., approximately one third of the province's annual exchange requirements. This enables essential dealings in foreign exchange to be guaranteed.

New reforms, which have recently been announced for the Portuguese overseas provinces, are expected to streamline and improve what is at present a somewhat antiquated economic structure. The idea is not only to gradually eliminate all internal import and export duties but also to allow for the free exchange of currencies and a unified Escudo Monetary Zone.

The need to attract foreign investment to the country has become clearly apparent as Portugal's own sources of development capital are hardly adequate to meet the great demand. Up till now, apart from the large scale sugar, copra, and sisal plantations and a few of the large industries, practically all the province's agricultural and industrial development has been carried out by local initiative and with local capital, and since this latter commodity is scarce, and is the product of local profits, development has been slow and usually on a small scale. New injections of Portuguese capital have, however, recently been given particularly to the textile, cement and flour industries but much more is still required not only from national sources but also from foreign. The Government is beginning to realize this and to take steps accordingly. Without such encouragement from outside, the expansion and development of the country's rich natural resources cannot be assured.



BANKING AND FINANCE

Mozambique is served by three banking organizations, one Portuguese and two foreign. The Banco Nacional Ultramarino, being the official issuing bank, has certain advantages the other two do not enjoy.

Apart from these three commercial banks the only organizations which do any financing are the insurance companies and the two government-controlled savings banks, particularly the

Caixa Economica Postal, which has done particularly good work in the financing of private building. There is however a definite opening for building societies and also a great need for long-term government assistance in the development of new enterprises. It is hoped that the recent establishment of a Development Bank (Banco de Formento Nacional) in Mozambique will adequately meet these needs.

DEVELOPMENT PLANS

A total of almost \$125 million has been allocated to Mozambique by the terms of Portugal's 2nd Development Plan, which covers the period of 1959-64. This plan covers a very wide range of projects but it lays particular emphasis

on the development of communications and transport, the utilization of natural resources, the expansion and improvement of the province's health and educational facilities and the implementation of settlement programs.

Allocations Under 2nd Development Plan

Scientific Surveys	\$ 2,887,500
Development of Natural Resources	\$ 15,505,000
Settlement Programs	\$ 23,635,500
Communications & Transport	\$ 66,172,000
Health & Education	\$ 13,300,000
Local development and public services	\$ 3,500,000
	<hr/>
	\$125,000,000



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Some of the material in this booklet has been taken from the C. F. Spence's book "Mozambique: Portuguese East African Province" which is to be published shortly by Howard B. Timmins & Co. of Capetown, South Africa. The animals pictured on page 39 were photographed by Shirley Duncan.