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ACCEPTING THE INEVITABLE: THE LIBERALIZATION OF THE AFRICAN ALCOHOL INDUSTRY IN SALISBURY, RHODESIA, 1960s TO THE EARLY 1980s

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This article examines the liberalization of one of the oldest monopolies in Rhodesia, the Salisbury Municipality's monopoly over the production and sale of African beer in the city from the 1960s to the early 1980s. This monopoly unraveled at a time the state was creating more monopolies in other sectors of the economy. The article explores why developments in this industry defied national trends. Using primarily Salisbury City Council archive documents, the article argues that contrary to a popular view in Zimbabwe that the white-run Salisbury City Council sold Rufaro Brewery in order to cripple the incoming black government, the Salisbury Municipality was forced to liberalize the African alcohol industry by African shebeen operators and legal private enterprises (particularly Chibuku Breweries and bottle store owners), who were increasingly eroding its market share.

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Introduction

Towards Zimbabwe's independence in April 1980, the Salisbury City Council (SCC) and Heinrich's Chibuku Breweries Limited (HCBL) signed an agreement (hereafter "the Agreement") that not only transferred ownership of the former's Rufaro Brewery to the latter, but also allowed the latter's products to be sold side by side with Rufaro's products in municipal liquor outlets.[2] Through the Agreement, HCBL initially leased the brewery for R$50,200 a year, but later bought it, together with production stocks, for an undisclosed amount. HCBL also bought Rufaro Brewery's transport fleet for R$1,280,000 and committed itself to brew and distribute both Chibuku and Rufaro beers.[3] In exchange, the SCC retained its liquor outlets wherein it would sell both Rufaro and Chibuku beer.[4] Prior to that, the SCC had a complete legal monopoly over the production and sale of African or opaque (that is, sorghum- or millet-based) beer in areas under its jurisdiction (the so-called Durban System).[5] Then, beer was the single most important source of income for SCC's African Administration Department. It was from beer proceeds that the SCC built residential suburbs such as Mufakose, stadia and playgrounds, among many other amenities. Happening as it did not only towards independence but also against the backdrop of departing colonialists

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[2] Before 1977, Rufaro Brewery was called the Liquor Undertaking Department. The name was changed to Rufaro Brewery in 1977 and again in 1979 to City Marketing and finally in 1981 to Rufaro Marketing.

[3] "Delta Corporation Limited Preliminary Announcement to Shareholders: Agreement with Salisbury Municipality," *The Herald*, April 6, 1979; National Archives of Zimbabwe, Records Center, Department of Community Service, Remembrance Drive, Harare [hereafter NAZ], Box 196777, File A/6/8/ 11, Vol. 1, newspaper cutting titled "Chibuku Gets Last Round," *The Herald*, June 22, 1979.

[4] NAZ, Box 196777, File A/6/8/ 11, Vol. 1, newspaper cutting titled "Chibuku Gets Last Round," *The Herald*, June 22, 1979.

[5] The Durban System was an arrangement where local authorities monopolized both the production and sale of African beer in areas under their jurisdiction. It was so-called because in Southern Africa, the system was first implemented by the Durban Municipality, South Africa, in 1909. Salisbury adopted the system in 1911.

sabotaging independent governments in countries such as Mozambique,[6] Guinea,[7] and the Democratic Republic of Congo,[8] the Agreement generated a lot of suspicion and controversy that have continued to this day. Did the whites who managed SCC sabotage the new council (and government) by selling the Rufaro Brewery, one of its most important sources of income, just before independence to one of their own? Or was it, as the Agreement's proponents argued, a business decision genuinely intended to save Rufaro Brewery, which had been steadily losing its market share to HCBL despite holding the legal monopoly in areas under its jurisdiction?

In addressing these questions, the article examines the liberalization of the African alcohol industry in Salisbury (now Harare). It explores how the SCC lost its monopoly over the production and sale of African beer. Scholars interested in the alcohol industry in Rhodesia have focused on the issues of labor and alcohol,[9] the intersection of alcohol and politics (Nathaniel Chimhete 2018), and how gender and class intersected with beer drinking (Michael West 1997, 645-667). Taken together, these studies shed important insights into the socio-economic and political lives of urban Africans in Salisbury. What has not yet been examined is how the Durban System ended. Elsewhere in the region, the liberalization of the alcohol industry took different and uncontroversial paths. In South Africa, for example, the liberalization of the African alcohol industry happened before the attainment of majority rule in 1994, a process that was catalyzed by the 1976 uprising. In the aftermath of the 1976 uprising, the Apartheid government spearheaded the liberalization of the industry as a way of mollifying the African middle class by opening up opportunities for them (Anne Kelk Mager 2010, 81-105). In Zambia, full liberalization happened after independence in 1964 (Allan Haworth and S.

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[6] See, for example, Joseph Hanlon (1984 45-51); Allen Isaacman (1978, 18-19)

[7] See, for example, David Birmingham (1998, 103).

[8] For details about the involvement of the Belgians in the 1960-61 Congo Crisis that led to the death of the country's first Prime Minister, Patrice Lumumba, see Emmanuel Gerard and Bruce Kuklick (2015); William H. Worger, Nancy L. Clark and Edward A. Alpers (2010, 141-142).

[9] See, for example, a collection of articles in Charles Ambler and Jonathan Crush (1992); Charles van Onselen (1976).

Wilson Acuda 1998, 29). Nowhere in the region did the end of the Durban System trigger controversy like in Zimbabwe. This is because the white-run SCC sold Rufaro Brewery to another white-owned organization, HCBL, just a few months before independence. Popular memory equates this sale with the Portuguese sabotage of the Mozambican economy at independence. A former Rufaro employee, Earnest Chinamora, expressed the views of many Zimbabweans when he said that “the 1979 agreement was designed to ‘kill’ Rufaro. It’s like how whites sabotaged the Mozambican economy. They [the departing Portuguese], for example, poured cement in [sewage] pipes.”[10]

The transfer of Rufaro Brewery to HCBL appears, at first glance, to have been part of a widespread (but as yet not fully explored) looting and sabotage that happened in Rhodesia just before independence from Britain in April 1980. Not only did this happen on the eve of independence, but it also happened against strong objections from some whites and blacks who were involved in running African affairs in Salisbury’s townships.[11] Buttressing this sabotage hypothesis is the fact that for nearly a decade, HCBL deliberately undermined the viability of the Liquor Undertaking Department (LUD) of the SCC by illegally sending its beer into the LUD’s monopoly area.[12] It also attempted to influence African members of the Rufaro Consumer Interest Panel, a body composed of African representatives and LUD managers, over the question of sales of Chibuku beer in the Council’s area of jurisdiction.[13] Perhaps more important in as far as Africans view the Agreement is the fact that it was signed when a lot of whites were leaving the country in anticipation of independence, some of them taking with them important national resources, such as gold,

[10] Interview with Earnest Chinamora, Glen View, Harare, September 23, 2014.

[11] “Beer Outlets should be run by townships,” *The Sunday Mail*, January 14, 1979; NAZ, Box 196777, File A/6/8 Vol. 1, Alderman Richard Morris, “Some Observations on the Municipal African Beer Undertaking,” January 16, 1979.

[12] File in Delta Corporation Archives, Harare, file titled Major W. Purcell’s Notes [no file number].

[13] NAZ, Box 196777, File A/6/11/9 Vol. 1, Notes of the 7th Meeting of the Rufaro Consumer Interest Panel, October 17, 1977.

emeralds, foreign currency and documents, mostly to South Africa.[14] That much of the wealth illegally taken by departing whites ended up in South Africa is not surprising: South Africa was one of the countries that aided Rhodesia when it was under United Nations sanctions after the Ian Smith-led government rebelled against Britain by announcing a Unilateral Declaration of Independence (UDI) in November 1965. In 1979, the Smith government also handed over to South Africa a rebel movement it had created and nurtured to destabilize the Frelimo government in Mozambique, the Mozambique National Resistance Movement (Ken Flower 1987, 273). It is against this backdrop that many Zimbabweans view the September 1979 sale of Rufaro Brewery as part of the economic sabotage and looting that happened at the time.

However, contrary to this popular perception, there is no evidence that suggests the sale itself was a result of collusion between HCBL executives and white councilors. There is, however, evidence that HCBL deliberately undermined the viability of the LUD before and after the 1979 Agreement by illegally sending its beer into Salisbury in connivance with bottle store owners and shebeen operators.[15] SCC documents and interviews show that it sold its brewery to HCBL in 1979 because it found itself increasingly losing its monopoly position in Salisbury to shebeens, HCBL, and other private enterprises. These private enterprises were able to respond to Africans' changing tastes and drinking patterns caused by rising income during the post-Second World War boom. They provided the products and services Africans desired. On the other hand, the LUD was slow and at times unwilling or unable to respond to the expectations

[14] Ibid. Appendix; Some of the documents (the so-called "Smith documents") taken to South Africa were returned to the government in May 2018. "ED receives Cabinet files taken away by Smith," *The Herald*, May 31, 2018, https://www.herald.co.zw/?s=ED+receives+Cabinet+files, accessed May 31, 2018; Henrik Ellert (1989, 88, 90). The District Commissioner of Gatooma in the 1970s R.L. Wescott who relocated to South Africa in the early 1980s also took away important documents about the district (interview with an anonymous informant, Harare, June 26, 2018). The interviewee used some of the documents for his project, and does not want to be identified because he thinks that will jeopardize his access to documents in the former District Commissioner's possession.

[15] Shebeens were illegal liquor outlets.

and demands of Africans not just because it was hamstrung by colonial African alcohol policy but also because some of the colonial officials had erroneous paternalistic attitudes about Africans, especially as regards their taste preferences and leisure. As a result, by the 1960s, Africans considered the LUD-produced beer inferior not only to European-type clear beers, but also to HCBL beer. And as the laws of demand economics dictate, the demand for inferior goods declines as income rises.[16]

Consequently, despite holding a legal monopoly over the production and marketing of African beer in Salisbury's African Townships, the LUD found itself losing its market share because Africans viewed the LUD-produced beer as inferior. The middle class and elites, in particular, switched from drinking African beer to European-type clear beers, which were perceived as symbols of modernity and high socio-economic status. At the same time, from 1962 when HCBL established a brewery in Seke, just outside Salisbury, more lower-income Africans started to prefer drinking Chibuku to Rufaro beer because, according to Africans, the former tasted better and had a higher alcohol content than the latter.[17] By the time the SCC signed the Agreement with HCBL, in many ways, the Agreement merely confirmed what was already on the ground: Chibuku and other alcoholic beverages were now being widely sold in the shebeens of Salisbury. The SCC wanted to redirect this trade into its outlets thereby not only curbing shebeen activities, but also increasing the profitability of the LUD.

In arguing that private enterprises forced the SCC to ease restrictions on the African alcohol industry, this article builds on a trend of studies on how African governments that adopted socialist or populist policies at independence were forced to liberalize their economies. This trend of studies emphasizes how pressure from below forced these governments to liberalize their economies, although it does not completely discount external pressures, particularly from the World Bank and the International

[16] See, for example, Richard Lipsey and Alec Chrystal (1999, 40, 58 and 107-108); Shaila Khan, Robert Murray and Gordon Barnes (2002, 405-423).

[17] City Marketing, Mbare, Harare [hereafter CM], File 0:7, Ellert to Briggs, January 10, 1968; interview with Stanley Maruta, Glenview 8, Harare, August 26, 2018. Maruta was a LUD cashier in the 1970s.

Monetary Fund (IMF).[18] Apart from the fact that the liberalization of the African alcohol industry happened on the eve of independence, giving rise to allegations of sabotage, it is also interesting because, unlike post-colonial World Bank and IMF-sponsored neo-liberal economic reforms implemented almost everywhere in Africa, it happened at a time when both the colonial and post-colonial states were creating state monopolies.[19] Thus, developments in this industry defied national trends. This scenario gives us an opportunity to assess the forces that led the SCC to liberalize one of the oldest monopolies at a time the national government was creating more monopolies.

Historical Background

Under the Kaffir (African) Beer Act (1911) and the Liquor Act (1930), Africans were generally not permitted to drink European liquors up to 1962. These included "any spirits, wine, beer, ale, porter, perry or other fermented, distilled spirituous or malt liquor of any intoxicating nature."[20] While these liquors were readily available in shebeens, from the 1920s onward African elites started to campaign vigorously for the right to drink European liquor legally (West 1992, 376). They conducted their campaign through petitions, deputations, resolutions and letters to editors. While the African elites wanted to gain the legal right to drink European beer, they did not want the same right to be extended to all Africans. They simply demanded "equal rights for all civilized men" (ibid.), and by "civilized men" they meant those who had attained a certain level of education. For some of them, it was not morally wrong for the colonial state to deny ordinary Africans the same right they clamored for. Writing to a local newspaper in 1949, one member of the African elite stated,

[18] See, for example, Aili Mari Tripp (1997); Chimhete (2013, 159-194).

[19] Joseph Kurebwa (2012, 146-147); Joseph Mtisi, Munyaradzi Nyakudya and Teresa Barnes (2009, 131-134); Brian Ngwenya (2007). The Smith regime established state monopolies in order to "bust" economic sanctions imposed after UDI, and the new independence government not only inherited these monopolies, but increased them when it adopted socialism as state ideology.

[20] Liquor Act 1930, Section II

> We [the educated Africans] appreciate the motive of the law and I agree that, for some time to come, Africans generally must be protected from moral degeneration that would result from indiscriminate drinking of European beer. But what about the decent, law abiding and educated African who would want to drink a little, not as a licence but as part of his pleasure? Must he also permanently remain on the ban?[21]

The African middle class did not speak with a single voice on this issue as on many other issues. While some campaigned for the right to drink European liquor legally, others denied that drinking European liquor was a sign of civilization. Rev. K. Karachidza, a Wesleyan Methodist Minister, posed the rhetorical question: "Is drinking European liquor a sign of civilization?" He continued: "he was not prepared to sink with the white man in all his vices," as alcohol "is Satan's secret weapon to destroy man …. It is a curse."[22] The African elites who were campaigning for the legal right to drink European beer did not only face opposition from fellow African prohibitionists. Strong opposition came from whites of different persuasions who advanced various racist arguments. Some whites argued that giving the underpaid Africans the legal right to drink the more expensive European liquor would lead to the impoverishment of the African families, broken homes, malnutrition, and automobile accidents caused by drunken Africans (West 1992, 391), as if Africans were not drinking liquor already.

However, from the 1950s, a growing number of legislators came to realize that a purely race-based law was no longer tenable and that the time had come to make special provisions for the African elite. One such legislator noted:

> With the emerging of a middle class African today, legislation is extremely difficult to implement if it is based merely on race, and it is hardly possible to treat the more civilized emergent African on the

[21] *The African Weekly*, May 13, 1949

[22] *The Bantu Mirror*, May 5, 1956 cited in West (1992, 39).

> same basis as his more primitive African brother. (cited in West 1992, 391)

In the 1950s, while the majority of legislators were prepared to give concessions to the educated elite, they still objected to the complete removal of discriminatory liquor laws. One legislator, who was also a medical doctor, said in 1957:

> I have no real objection to anyone, white or black, enjoying a glass of wine, but I cannot see the ordinary raw African lingering lovingly over liquor. As with his drink, the African is never satisfied until his abdominal tension reaches a certain degree of inflation. One glass of wine or one bottle of beer will never satisfy the ordinary African and by the time he has drunk to the full, he will have imbibed sufficient alcohol to cause intoxication. (ibid.)

This legislator and many other whites thought they were helping Africans not to sink into moral degradation by denying them European liquor.

Eventually, the government amended the African Beer Act in 1957. The amendment merely allowed Africans to consume light alcoholic drinks such as beer, wine, ale and stout. Spirituous liquor could only be legally accessed by Africans who were then holders of university degrees. The racist assumption was that a white person was naturally superior to a black person and for the latter to catch up with an ordinary uneducated white person, he or she must have a university degree.

Other important forces were also at play. West (1992, 3) argues that the 1957 amendment should be understood in light of the politics and promises of "racial partnership" which white Rhodesians used to sell the idea of a federation of Nyasaland and the two Rhodesias to the Africans.

Finally, in 1962, the colonial government removed all restrictions and allowed Africans to buy any type of liquor. This meant that they could now patronize any bar in town that was prepared to serve them.[23]

[23] NAZ, S/SA 6175, City of Salisbury, Annual Report of the Director of African Administration for the two-year period ending June 30, 1962, 41;

According to the Chief Native Commissioner, the interlude between the legislation of light alcoholic drinks and hard (spirituous) liquor was the government's way of "allow[ing] a little time for a widespread responsible leadership to emerge in the drinking of hard spirits which could pass on experience and guidance to the masses for whom it was a novelty" (West 1992, 396). However, the truth of the matter was that by 1962, with the rise of radical nationalism, the question of African access to alcohol had become a non-issue. As West (ibid.) notes, this amendment was "part of a larger effort to remove the most irritating aspects of racial discrimination" without fundamentally altering the structure of colonial society.

This was the situation in the African alcohol industry by 1962. Africans could now drink any type of alcoholic beverage in any establishment that was prepared to serve them. Although this reform was a landmark in the African alcohol industry, significant hurdles remained to prevent Africans from drinking the type of alcoholic beverages they desired in the establishments they wanted. The LUD retained its monopoly in the African Townships. Its beer halls and gardens that dominated the African Townships did not always stock alcoholic beverages manufactured by private players. African-owned bottle stores were still few. This limited urban Africans' choices of not only the type of alcoholic beverages legally available to them in their locations, but also where they could drink such beverages.

LUD's Declining Profitability

From the beginning, Africans challenged the Durban System as manifested by the emergence of shebeens of different kinds in various municipalities, including Salisbury. However, it was not until the early 1960s and 1970s that the SCC took serious steps to liberalize the industry by allowing other players to produce and sell African beer in areas under its jurisdiction. The SCC did not willingly liberalize the industry, however. Its hand was forced by HCBL, private bottle store owners, and shebeen operators, whose collective activities were eroding the profitability of municipal-run beer outlets. Thus, contrary to conventional wisdom that

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University of Rhodesia and Nyasaland, *Local Government Legislation,* Salisbury, 1966, 21.

the white-run SCC sold Rufaro Brewery to HCBL in 1979 to undermine the incoming government, the Agreement was meant to save it from collapse. However, the Agreement had an unintended consequence: in the long-term, it facilitated the collapse of Rufaro Marketing, as it left HCBL with the ability to undermine it further.

The colonial government did not hope to mollify the middle class and elites simply by allowing them to drink European beer; it also implemented a number of reforms. For instance, it opened opportunities for these groups in the economic arena, including in the business of liquor retailing. Consequently, the Minister of Local Government, in the early 1970s, directed that all municipalities give Africans leases to operate bottle stores in African townships. The Minister wanted to provide "adequate opportunities for African private enterprises."[24] This directive was received with much grumbling by municipalities, including the SCC whose policy was to resist the establishment of any premises that could undermine the profitability of the LUD.

Some council officials, however, opposed the Durban System for both economic and political reasons. They were concerned that the continued municipalization of the production and sale of beer to Africans, and the concomitant denial of Africans' opportunities to sell beer to fellow Africans, were being used effectively by political activists to galvanize nationalist sentiments. By this time, the SCC had acquired the "beer hall image" and some council officials feared that continued discrimination of Africans "would place the 'big bad Municipality' in [a] worse [situation] … than at present."[25] The SCC wanted to rid itself of this image, and some SCC officials believed that "acceptance of change will go a long way to burnishing the public image of the City Council and the African Administration Department."[26] As the superintendent of Harari, J.P. Courtney, put it, he was "[not] thinking of change for change's sake but

[24] CM, File 2:40, A note titled African Beer: Bottle Stores in African Townships (not dated).

[25] NAZ, Box 196777, File A/6/11/5 Vol. 1, R.W. Flood, Town Manager to the Director of African Administration, October 3, 1975.

[26] NAZ, Box 196777, File A/6/11/5 Vol. 1, J.P. Courtney, Superintendent, Harari to the Director of African Administration, October 6, 1975.

for constructive controlled and developed evolvement [sic]."[27] He continued

> I consider that the time has come when the blackman must be permitted to engage in business, in the areas where the majority of his racial contemporaries live, without restriction. This should include the business of retailing liquor.[28]

By the mid-1970s, there were a number of African-owned bottle stores in Salisbury. Highfield Township alone had four such bottle stores, namely Vambe's Bottle Store, Mwamuka, Cape Flats and Mushipe and Sons.[29] A similar development had also taken place in East Africa, although a decade earlier than in Rhodesia (Justin Willis 2002, 185).

Perhaps more important than anything else in forcing the government to allow new players in the industry, particularly in the opaque beer industry, were the activities of HCBL. Before discussing how HCBL compelled the SCC to liberalize the industry, it is necessary to explain first how the company came into the country. Marx Heinrich, then a South African-based industrialist, founded Heinrich's Syndicate Limited in Northern Rhodesia in 1955. According to H. Blair, the name Chibuku that Heinrich's Syndicate was soon to assume was derived from *"the book – Chibuku."* This was a brewery recipe book used in Zambia into which details of customers' responses to the brew were entered after each delivery. The workers then referred the book as an *e-book-u,* the root of the celebrated name Chibuku (H. Blair 2001, 26).

From its first stronghold in Zambia, HCBL then spread into neighboring countries, first into Nyasaland in 1960. However, the Nyasaland venture was short-lived, for soon after the country gained its independence, the government summarily withdrew the HCBL license and closed its brewery (C.M. Rogerson and B.A. Tucker 1985, 361). It was in

[27] Ibid. Harari suburb was renamed Mbare in 1982. It should not be confused with Harare, Zimbabwe's capital city, which, for much of the period covered by this article, was called Salisbury.

[28] Ibid.

[29] CM, File 2:41, Paper titled Council Policy: Establishment and Operation of Hotel in African Townships.

Southern Rhodesia that Heinrich's Syndicate registered remarkable success. The Syndicate got permission to operate in the country in 1961 amidst strong opposition from four municipal authorities, namely Bulawayo, Gwelo, Salisbury and Umtali. Until 1961, the colonial authorities had not allowed private players in the manufacture of opaque beer. In the same year, HCBL secured a contract to supply Chibuku beer to the Municipality of Fort Victoria. The Mayor of Fort Victoria opined that the major advantage of contracting to private enterprise was that "the risk of sour beer is reduced to a minimum and, in fact, if the beer is not to the palate of the consumer, the suppliers undertake to replenish the stock with palatable beer" (ibid.).

In the process of its expansion, HCBL eclipsed the activities of African brewers in small urban centers such as Umtali, Chipinga and Gwelo. The company was determined to capture the biggest urban market, Salisbury. But it did not have a license to sell draught beer in Salisbury. Nor was the consumption of Chibuku beer in Salisbury legal. Owing to this, it set out to capture the Salisbury market using unconventional means beginning in the 1960s. As a first step to penetrate the Salisbury market, HCBL set up breweries strategically to undermine the continuing viability of LUD. It established its breweries in Seke, Chitungwiza, just outside the SCC boundaries, thus providing a convenient base to smuggle opaque beer to the nearby African townships (ibid.). The marketing strategy was to break into the municipal area. W. Purcell, who joined HCBL in 1962 as a public relations officer in charge of sales, explained how the company managed to penetrate the Salisbury market:

> The way we managed to break into the municipal area was by sending thousands of complimentary cartons to … Harare in the new convenient 'shake-shake' containers. This meant a loss of sales by Municipal Rufaro Brewery [and] eventually, they agreed to sell both Chibuku and Rufaro at the Municipal beerhalls.[30]

[30] File in Delta Corporation Archives, file titled Major W. Purcell's Notes [no file number].

HCBL managed to smuggle its products, working in conjunction with bottle store owners and shebeen operators. Some Africans with licenses to operate bottle stores in rural areas sold to shebeens and sometimes operated shebeens themselves. Some shebeen operators bought and transported Chibuku beer from beerhalls just outside Salisbury. LUD officials noticed this development. A year after HCBL had established its brewery in Seke rural, Ellert noted that:

> A large scale ‘importation’ of Chibuku draught African beer from the Seki [sic] Rural Council Beer Hall is taking place, and this beer is finding its way into Salisbury Municipality’s African townships for re-sale at shebeens, in contravention of section 15 of the African Beer Act (cap 93).[31]

Seke Rural Council Bar was only one source of Chibuku beer that was smuggled into Harare. Chibuku beer was also smuggled from bars in Marirangwe and farms just outside Salisbury.

In the mid-1970s, HCBL also invented a new product, dry beer (also called beer powder or instant beer; malt mixed with yeast, which became potable by adding water), which aided the company’s penetration of the Salisbury market. Under the African Beer Act, it was not an offense for a company to sell dry beer to anyone, nor was it an offense to be found in possession of such dry beer. HCBL freely sold this product to shebeen operators who would turn it into potable beer. Chibuku dry beer was packaged into 15 kg bags that made up to 100 liters of beer.[32] The beer matured within 24 hours and would keep for 100 hours. This innovative product had obvious advantages to both the company and the shebeen operators. HCBL benefited from reduced deliveries and, therefore, the distance traveled by its vehicles. Shebeen operators profited in that the powder was comparatively cheaper, and since it matured within 24 hours, it reduced the chances of being caught and it had a long shelf span especially when compared to the “traditional” “seven days” brew.

[31] CM File 0.7, Ellert to the Officer Commanding BSAP, Southern, 1972. Seke was called Seki during the colonial period, a phonological error.

[32] Blair (2001, 30).

The bulk of this smuggled beer ended up in shebeens catering for lower income persons. Shebeens existed in many forms. Some were held indoors under the guise of tea parties, while others were held in the bushes to avoid arrest by colonial authorities (Chimhete 2004, 42-58). They shared one thing: they sold mostly opaque beer; Chibuku was the most popular beer in these shebeens. LUD officials knew this. On June 6, 1977, a Rufaro Consumer Panel held a meeting to discuss, among other issues, "why Rufaro is not popular … in African Townships, as it appears that the opposition [i.e. HCBL] are taking a lot of our trade."[33]

But why did Africans in Salisbury prefer Chibuku to Rufaro brew? This had much to do with their belief that HCBL beer was better quality than Rufaro's. Time and again, Africans also complained about LUD-produced beer's lack of "a terrific kick" (as found in Chibuku) and its poor taste.[34] In 1977, a Mr. Nkomo, a member of the Rufaro Consumer Interest Panel, noted that Rufaro beer was often "watery …and not worth the money."[35] In addition, as Stanley Maruta, a bar cashier in the 1970s, explained, "Council-produced beer caused hangover. Chibuku caused no such side-effect."[36] Not only was Rufaro beer less popular as compared to Chibuku, but it was also less popular to African home-brewed beer.[37]

LUD officials knew why Africans preferred Chibuku to Rufaro beer, but they were unresponsive to their request for a stronger beer. When in 1968 Ellert was advised by the Director of African Administration, R.C. Briggs, that Africans were complaining about the poor quality of Rufaro beer (particularly its low alcohol content), he responded: "I have received similar representation from various sources and it is a fact that draught Rufaro is not as strong as Chibuku."[38] He continued:

[33] NAZ, Box 196777, File A/6/11/9 Vol. 1, Meeting of the Rufaro Consumer Interest Panel to be held in the Board Room, June 6, 1977 Agenda 4 (b).

[34] CM, File 0:7, LUD Manger to the Director of African Administration, January 10, 1966.

[35] NAZ, Box 196777, File A/6/11/9 Vol. 1, Notes on the First Meeting of the Rufaro Panel, March 18, 1977.

[36] Interview with Stanley Maruta, Glenview 8, Harare, August 26, 2018.

[37] CM, File 0:7, Ellert to Briggs, January 10, 1968.

[38] Ibid.

> I think, the problem can be solved without actually increasing the alcohol contents. A higher quality of malt combined with a vigorous, brewery controlled yeast, will increase the quality of beer and give it body as well as lasting quality. It will accordingly give the impression of being stronger.[39]

There is no evidence that the LUD ever used “a higher quality of malt.” Instead, in the 1970s, the brewery increasingly replaced grains with enzymes in its brewing process. In 1971, Briggs felt compelled to remind Ellert why SCC-produced beer was not popular among Africans in Salisbury while Bulawayo City Council was not experiencing the same problem:

> Your product today has lost much of its body by use of enzymes, whereas Bulawayo continues, as I understand, to make use of kaffir corn, burley, inyauti, rapoko, grits and yeast, as all part of the formula of producing a good quality beer. It [the Bulawayo Council] has not become involved in vitaminised fortifications and it has I believe experimented in a small way with enzymes.[40]

This excessive use of enzymes, at a time the colonial government was involved in a vigorous campaign to reduce the African birth rate, gave rise to rumors of a covert government plot to infuse African beer with enzymes to make African men impotent.[41] Such rumors further damaged the popularity of Rufaro brew.

When the LUD correctly diagnosed that the African beer market was changing and that increasingly Africans preferred to drink European beer, the LUD sought to curb this development instead of providing Africans with what they wanted. They sought to do so by repackaging the product instead of changing it to meet the needs of Africans. It was against this backdrop that the LUD introduced packaged beer in the form of cartons

[39] Ibid.

[40] CM, File 0:39, Briggs to Ellert, November 19, 1971.

[41] Interviews with: Mrs. Mhlanga, Mbare, Harare, August 3, 2014; G. Chimhete, Norton, August 28, 2003; and Ernest Chinamora, Glen View 3, Harare, September 23, 2004.

and African bottled beer "as part of the answer to the increased demand for European-type bottled beer."[42] The LUD's strategy was, as Ellert put it, "the presentation of traditional African beer in a more sophisticated form."[43] It should be emphasized that LUD cartons were just draught beer packaged in 1 liter cartons, while, in the view of Africans, African bottled beer (called Buffalo) was the same draught beer, minus the little solids often found in traditional African beer.[44]

However, in failing to meet the taste demands of Africans, the LUD was also hamstrung by colonial alcohol policy, which conceived African beer not simply as an alcoholic beverage, but also as food that some colonial officers even encouraged employers to give their workers to supplement their vitamin and protein needs.[45] The LUD's mandate was strictly limited to the provision of African beer to Africans living in Salisbury's townships. Thus, whereas its competitors could change the product to meet the expectations of customers, the LUD could not easily do that. For instance, the LUD knew that part of the reason why its bottled beer, Buffalo, was unpopular among Africans was that it contained low alcohol content relative to European-type clear beers, yet it could not do anything about that because the alcoholic strength of African beer was regulated by law. In 1974, Ellert bemoaned the fact that that Buffalo was "limited to an alcoholic strength of 4% whereas European-type clear beers have no limitation whatsoever with regard to alcohol content."[46] The bulk of African beer was sold in draught form whose maximum alcohol content was a mere 2.5 percent by volume.[47]

Still, LUD officials were partly to blame. Like colonial officials elsewhere, they believed that they knew what Africans wanted, and in the process disregarded Africans' genuine concerns. For example, some LUD officials knew that one of the reasons Africans preferred drinking in

[42] CM, File 5:2, Select Committee, Vol 4. Liquor Minutes, March 20, 1972.

[43] NAZ, S/RU 503, City of Salisbury, Liquor Undertaking Department, 11th Annual Report, 1974-75, 20.

[44] Interview with R. Jeke, Mbare, Harare, September 25, 2003.

[45] NAZ, S/RU 503, City of Salisbury, Liquor Undertaking Department, 10th Annual Report, 1973-1974, 3; van Onselen (1976, 167).

[46] CM, File 0:2, Notes for the General Manager's Speech to the African Affairs Committee, September 18, 1974.

[47] D.H. Reader and Joan May (1970, 1).

shebeens to SCC outlets was because the latter lacked "comforts" (including the physical ones such as couches and television sets), yet even in the 1970s they designed some of their beer gardens emphasizing the provision of what they deemed were Africans' "natural settings." For example, they built some beer gardens without modern sitting arrangements, instead "persons were encouraged to lounge under willow trees and the like."[48] This was based on the assumption that in rural areas Africans drank their beers outside their houses, under trees. As late as 1977, a member of the Rufaro Consumer Interest Panel, Selby Hlatswayo, had to complain to Rufaro Brewery managers that "it was not fair for people to have to drink out in the rain and cold."[49]

The LUD's profitability was also undermined by a shift in appetite to consume beer in certain types of venues that gained pace during the post-Second World War era. In the 1960s and 1970s, more and more Africans, particularly the middle class, came to prefer drinking their beer in elite shebeens to SCC beer outlets. This was partly because shebeens provided the middle class with the "comforts" that were unavailable in municipal outlets. These comforts included cold beers, certain European brands not widely found in council outlets, couches, western music and credit facilities (Chimhete 2004, 30-33).

This change in drinking venues was aided by a shift in the drinking taste and consumption patterns of urban Africans that was caused primarily by a rise in income among Africans, especially the middle and upper classes, during the post-Second World War economic boom. In a 1973-1974 report, Ellert captured this shift:

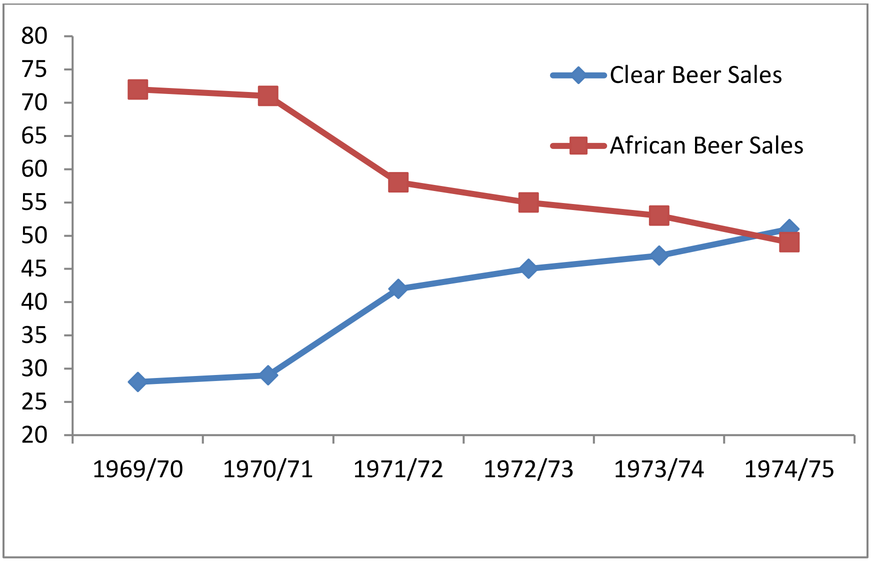
> Consumer preference is for clear beer and as and when the spending power of the African increases, he will be better able to exercise his preference for a product which is more sophisticated, has a higher alcohol content and is not manufactured specially for

[48] CM, File 0:39, Briggs, to LUD General Manager, November 19, 1971.

[49] NAZ, Box 196777, File A/6/11/9 Vol. 1, Notes on the First Meeting of the Rufaro Panel, March 18, 1977.

Africans….Whether he can afford it or not he will tend to show preference for European type beer.[50]

While the shift in preference to European-type clear beers started decades earlier, as explained in detail below, it accelerated after the Second World War. Thanks to the poor quality of the LUD-produced beer and the relatively high income enjoyed by Africans in Salisbury, this shift happened earlier and at a faster rate there than in any other town in the country. By 1973, total European beer sales had overtaken total African beer sales in SCC outlets, as shown in Figure 1 below. This occurred despite the fact that the prices of European-type clear beers were pegged at a higher rate to protect Rufaro brands of opaque beer.[51]



Source: NAZ, City of Salisbury, Liquor Undertaking Department, Annual Reports for the years, 1972-73 and 1974-75.

Figure 1

Sales Trends in Council's Outlets (expressed as a percentage)

[50] NAZ, S/RU 503, City of Salisbury, Liquor Undertaking Department Annual Report, 1973-1974, 3.

[51] CM, File 0:63, S.F. Littleton, "Marketing Report," May 13, 1981.

Figure 1 above refers to beer sales in SCC outlets only. Estimates of these statistics in respect of total sales to Africans in Salisbury, including in non-SCC outlets, shows that during the year 1972/73 European-type clear beer sales represented 61 percent of sales while African beer sales were 39 percent.[52] Other developing countries also experienced a rapid growth in the consumption of European-type bottled beers during the 1960s and 1970s (James Keddie and William Cleghorn 1979, 14).

This shift in the drinking patterns of Africans was accompanied and aided by the expansion of the middle class, most of whom drank their beer in elite shebeens. These types of shebeens, which sold mainly European liquor, emerged with the rise of a sizeable number of the middle class from the 1920s (West 2002), but as a group, they became powerful particularly after the Second World War. This followed the expansion of both the manufacturing and tertiary industries of the economy as well as the expansion of African education. This group of teachers, nurses, social workers and clerks, among others, that emerged enjoyed growing disposable incomes, and hated municipal beer halls and gardens because they were "too crowded and rough," among other reasons.[53]

As in South Africa, "increased activity in marketing and advertising"[54] aided the popularity of European-type clear beers among Africans. Starting in the late 1950s, multinational companies, including those producing various types of alcohol (such as Lonrho and South African Breweries Ltd) were engaged in a vigorous marketing drive to capture the taste of black consumers. According to C. Rogerson (1990 296), "the overwhelming message of these advertisers was the superiority of 'modern' over traditional ways and life-styles, and the superiority of status attached to switching to new forms of food, personal care, and drinks." As a result of the combined effect of advertising and the informal linkages of

[52] NAZ S/RU 503, City of Salisbury, Liquor Undertaking Department, Annual Report, 1972-1973, 4.

[53] NAZ, Box 196777, File A/6/11/9 Vol. I, Notes on the First Meeting of the Rufaro Panel, March 18, 1977.

[54] Ibid.

bottle stores and shebeens, by the late 1960s, there was "[an] increase in European beer sales as compared to African beer sales."[55]

Many Africans no longer viewed the LUD-produced beer favorably. It was against this backdrop that, in 1974, Ellert noted, "the attitude of the consumers towards a product manufactured and marketed by the Salisbury Municipality as opposed to private enterprise is unfavourable." He added the consumers resented that "they are not able to purchase the popular brands manufactured by private enterprise and they will go to any length to obtain these brands, paying a higher price."[56]

Salisbury Municipality's Reaction

The SCC did not sit idle while its monopoly eroded. It instituted a number of reforms to compete better with private enterprises, including shebeens. Many of the reforms mirrored what was already happening in elite shebeens, and were an attempt to meet the changing social tastes and habits of urban Africans, particularly the middle and elite classes. These reforms included the upgrading of some of its outlets to cater for the growing middle class, the introduction of music and waitresses in its outlets as well as the introduction of new beer brands. However, the reforms failed to stop the decline of the profitability of the LUD because its liquor outlets and the types of alcoholic beverages it produced and sold were unpopular.

One of the primary reasons SCC outlets were unpopular was because they lacked the "comforts" found in shebeens. The middle class and elites in particular always complained not only about the poor facilities and services in bars and beer gardens, but also that they were forced to drink in the same outlets with people drinking African beer, which they considered inferior to European beer. This was the origin of cocktail bars in Southern Rhodesia; they were intended to "cater for the middle class Africans who prefer[red] drinking in quietness,"[57] and who "did not wish

[55] CM, File 0:7, Ellert to the Director of African Administration, Salisbury, January 10, 1968.

[56] CM, File 0:2, Notes for the General Managers Speech to the African Affairs Committee, September 18, 1974.

[57] *The Bantu Mirror,* August 11, 1951.

to sit with customers drinking from packets."[58] The cocktail bars had a strict dress code, which suited the middle class. Their establishment "was aimed at eliminating as far as possible the 'bar' atmosphere, thus preventing them from developing into degrading pits."[59] In instituting these reforms, the LUD responded to the African middle class and elites' changing social tastes and consumption preferences as well as their changing ideas about leisure.

Unfortunately, cocktail bars faced viability problems as they failed to attract enough customers largely because, to members of the middle class they were meant to cater, "the clubs [cocktail bars] and hotels in the townships are no better than the Municipal beerhalls. They are merely bars with guest rooms attached to them."[60] Many people shunned these cocktail bars. It was against this background that the SCC "alter[ed] the standard of [some] cocktail bars to that of public bars with a view of increasing profitability of such outlets."[61]

In an effort to make its outlets attractive to Africans who wanted European beer, the SCC introduced African bottled beer, Buffalo, in 1972. However, this SCC brand was never widely accepted by Africans who regarded it as inferior to European beers (such as Carling Black Label and Castle Lager) not always available in SCC outlets, but widely available in shebeens. A former Rufaro Marketing executive suggested that Buffalo was even of poorer quality than African beer in draught form and in cartons. He described it as residue water of African beer in draught form ("*mutuwi we*-African beer").[62]

LUD managers also tried to make SCC beer halls and gardens appealing relative to shebeens and other private enterprises such as nightclubs and hotels by instituting a number of other reforms. For example, they introduced waitresses in their outlets in an attempt to attract men, as it was generally believed that one of the primary attractions of shebeens was the availability of women. In introducing waitresses in

[58] CM, File 0:63, An Internal Marketing Report by Littleton, May 13, 1981.

[59] NAZ, S/SA 6175, City of Salisbury, Annual Report of the Director of African Administration for the Year Ending June 30, 1964, 43.

[60] CM, File 255, Raymond Katanga to Ellert, September 1974.

[61] CM, File 0:28, Ellert to W.E. Ellway, July 15, 1974.

[62] Interview with R. Jeke, Mbare, Harare, September 25, 2003.

municipal outlets, the LUD was also responding to the requests of the middle class and elite whose ideas of leisure were changing.[63] They also introduced music (live performances and taped or recorded music). Despite these reforms, SCC liquor outlets remained saddled with poor conditions and services, which included dirty mugs, long queues, dishonest cashiers and hot (that is, non-refrigerated) beers. In short, the LUD was never able to rival the facilities and services offered in elite shebeens.[64] Consequently, shebeens remained popular.

However, shebeens owed their popularity not just to the fact that they offered "comforts" unavailable in SCC outlets, but also to a lack of state rules therein; they offered fairly unregulated spaces for social and political interaction. Like pubs in Britain, shebeens in Salisbury had ceased to be just drinking places (Ignazio Cobras 2011, 2422; Cobras and Carlo Reggiani 2010, 947-962). Political activists, pimps and their prostitutes, other female customers, and even off-duty policemen eventually preferred drinking in shebeens to beer halls. At a November 21, 1977, Rufaro Consumer Interest Panel meeting, "it was acknowledged fairly generally that the shebeens were an established way of life and that accordingly every effort should be made to persuade Shebeen Queens [female shebeen operators] to buy from Rufaro Outlets."[65] By the second half of the 1970s, the LUD sought not to end the activities of shebeens, a goal they admitted was impossible to achieve, but to profit from their existence by establishing informal links with them.

Efforts to make SCC outlets appealing to Africans were accompanied by a propaganda campaign that on one hand promoted the drinking of SCC-brewed alcoholic beverages, while on the other discouraged the drinking of brews produced and marketed by private enterprises. In the 1970s, for example, Rufaro Marketing produced and distributed pamphlets that not only explained why African urban dwellers were supposed to shun beer brewed by private enterprises, but also explained why they were

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[63] See, for example, CM, 2:65, Sydney Makarunga to LUD [not dated but 1973].

[64] CM, File 0:63, S.F. Littleton, Marketing Report, May 13, 1981.

[65] NAZ, Box 196777, File A/6/11/9 Vol. II, Notes of the 8th Meeting of the Rufaro Consumer Panel, November 21, 1977.

supposed to drink Rufaro beer. The pamphlets discouraged the drinking of private enterprise-brewed beer

> … because the profits made by these individuals are not used for community development [in African townships]. But if a black person uses 20 cents to buy beer brewed by Rufaro Breweries, part of this money goes back to him because it is reinvested in his community. If he or she spends 20 cents on private enterprise-brewed beer, nothing comes back to him. All the money ends up in the pockets of private individuals. (Rufaro Brewery Undated, but late 1970s)

After enumerating what the SCC used beer profits for, the pamphlets added: "You help yourself if you drink Rufaro [beer]" (ibid.). By producing these pamphlets, the SCC was also countering the messages of political activists who in the 1960s and 1970s discouraged the consumption of council-brewed beer (Chimhete 2018, 818-824). By then political activists associated SCC-brewed beer with colonialism. In particular, they exploited the SCC's monopolization of the production and marketing of African beer to paint it as an arm of the state that "emphasized profit at the expense of the socio-economic well-being of Africans" (ibid., 830) and supplied excessive beer to Africans to keep them politically docile (ibid., 818).

Despite all these efforts to curb the erosion of its monopoly, the SCC continued to lose market share to shebeens, private bottle stores and multi-racial hotels. Rufaro Marketing total sales declined in the 1970s from 67 million liters in 1974/75 to 54.8 million liters in 1977/78.[66] Its clear beer sales declined from 8,829,000 liters in 1974/75 to 4,540,000 liters in 1976/77, a drop of 48 percent,[67] while that of packaged beer declined between 1970/71 and 1976/77 from 10,906,200 to 4,850,000 liters.[68] By

[66] NAZ, Box 196777, File A/6/11/ 8 Vol. 1, City Treasurer to Acting Town Clerk, May 31, 1978; NAZ, S/NA 596, Minute of His Worship, The Mayor Councillor, 1978-1979, 30.

[67] NAZ, S/RU 503, Rufaro Brewery, 13th Annual Report, 1976-1977, 3.

[68] Ibid.

the latter date, HCBL was illegally selling 1 million cartons (liters) a year in Salisbury.[69]

The LUD's decline happened at a time when not only the population of Salisbury was increasing, but also when "sales by the private sector catering for the African trade in the Greater Salisbury Areas … [were] increas[ing],"[70] and the shebeen business was booming (Chimhete 2018, 818-824). Clearly, by the 1970s, Rufaro Brewery was losing its market share to shebeens and other private operators, like bottle stores and hotels.

Not only was the SCC losing its market share to shebeens and an increasing number of legal private liquor outlets, but a growing number of colonial officials responsible for enforcing aspects of the African Beer Act were also now opposed to the Durban System. The support of this group of people, who included location superintendents, judges and members of the British South Africa Police (BSAP), was critical if the LUD was to maintain its monopoly. These people expressed liberal economic views that opposed the SCC's continued monopoly. They now regarded the Durban System as both paternalistic and anachronistic. One such official was J.P. Courtney, Superintendent of Harari. He explained why he opposed the Council's monopoly:

> At the present time the Liquor Undertaking Department of the City Council enjoys a virtual monopoly in the liquor trade in the City's African Townships. This anachronism should be dismantled and the sooner the better. I have no wish to re-iterate the paternalistic kant [*sic*] concerning profits and their uses. The time is rapidly approaching when the African Townships should be placed on a sound economic basis. There is, in my opinion, no longer any need to concern ourselves with social services, amenities, sports grounds, clubs of various types and so on. These are areas where private enterprise, group initiative or plain community development may play their share.[71]

[69] Cited in ibid.

[70] NAZ, S/RU 503, Rufaro Brewery, 13th Annual Report, 1976-1977, 3.

[71] NAZ, Box 196777, File A/6/11/5 Vol. 1, Superintendent, Harari, to the Director of African Administration, October 6, 1975.

Courtney was no aberration; many SCC officials shared his views.[72] Even Ellert, who in the 1960s and early 1970s pressured the BSAP to enforce the provisions of the African Beer Act, had reconsidered his position by the late 1970s. In the 1976-77 report, he admitted:

> I do not believe that it will be possible much longer to deny the consumers within the area of jurisdiction of the Salisbury Municipality the right to decide what brand of beer they may buy, nor do I believe it is good business to do so.[73]

Two further developments compounded this situation. First, by the late 1970s, the BSAP lacked both the will and manpower to enforce a system they believed was archaic, when its members were increasingly being deployed to the war front to fight freedom fighters.[74] Second, and to make matters worse for the SCC, by the second half of the 1970s, the Liquor Licensing Board, a body responsible for approving or denying applications for liquor licenses, had changed its attitude towards African applicants for liquor licenses. It granted liquor licenses to Africans even as the LUD protested. Courtney noticed this change and wrote:

> The attitude of the Liquor Licensing Board has changed and will continue to change and it is apparent that the monopolistic position of municipal undertakings will be eroded in favour of private applicants of licences. It is interesting to note that the demand among Africans for clear beer is increasing daily. It is apparent, therefore, that we must be prepared for change.[75]

By the late 1970s, the SCC had lost the support of the Liquor Licensing Board, the BSAP, some African township superintendents and

[72] Ibid. E.A. Docwra, Acting Superintendent, Mtapi, to the Director of African Administration, Salisbury, October 3, 1975.

[73] Rufaro Brewery, 13th Annual Report, 1976-1977, 4.

[74] NAZ, Box 196777, File A/6/11/5 Vol. 1. Docwra to The Director, African Administration Department, October 3, 1975.

[75] Ibid., J.P. Courtney, Harari Superintendent to the Director of African Administration, October 6, 1975.

the judicial system—key institutions in the enforcement of its monopoly. Without their support, the SCC knew its monopoly could not be sustained because, in the view of Africans, it produced an inferior product. It was against this backdrop that the SCC decided to accommodate its competitor by entering into a strategic partnership to minimize the adverse impact of the threat.[76] Viewed from this perspective, we can appreciate that the Agreement was an attempt by the SCC to control the liberalization of the African alcohol industry rather than leaving the process to other players.

Salisbury City Council-Heinrich's Chibuku Breweries Agreement, 1979

The Agreement ignited a debate that has continued to this day. The controversy concerns whether the Agreement aimed to arrest Rufaro Marketing's declining profitability, as its supporters claimed, or whether it was sabotage on the part of the departing whites bent on financially crippling the new government by taking away one of its major sources of income, as critics claim. However, this debate started before the Agreement was signed, during the course of negotiations. First, this section examines the arguments for and against the Agreement. The next section examines the effects of the Agreement. Indeed, although the Agreement made economic sense in 1979, in the long-term, it expedited the decline of Rufaro Marketing because it left HCBL with the power to further influence consumers' drinking patterns, which it eventually did. But interestingly and, contrary to a widely-held belief that the Agreement itself was a fraud to deprive the incoming government of revenue, it was meant to avert the collapse of Rufaro Marketing. For a few years, Rufaro Marketing profits actually increased.

The councilors who supported the sale of Rufaro Brewery to Heinrich's HCBL cited both political and economic reasons. They argued that selling Rufaro Brewery would not only stop the erosion of the profits of the SCC, but would instead increase them. In 1979, they estimated that the envisaged partnership where HCBL would take over the production of African beer and Rufaro Marketing would sell the more popular Chibuku

[76] For literature about how companies deal with competition, see, for example, George Cressman and Thomas Nagle (2002), 23-30.

beer in its outlets would increase Rufaro Marketing profits from less than R$1 million to R$2.3 million a year.[77] Some city councilors, with the support of the BSAP and many location superintendents, also believed that making Chibuku beer available in SCC outlets would curb the shebeen problem because Chibuku was the most popular beer in the shebeens patronized by lower-income earners.

Those who opposed the sale of the brewery to HCBL feared not only that Rufaro beer would lose its identity, but more significantly, they feared that, sold side by side, Chibuku would outcompete Rufaro. The City Treasurer predicted that:

> the competitor's brand would capture a large and probably increasing proportion of the total market which would erode the viability of the former. In other words, it seems unlikely that the two brands could live side by side under these circumstances.[78]

Their fears were hardly misplaced. By this time, even Rufaro Marketing management knew that Chibuku was more popular than Rufaro.[79] Others opposed not only the timing of the proposed sale that was at least suspicious, but also opposed the proposed agreement on the basis that it would deprive the SCC of much-needed revenue. Alderman Richard Morris explained why he was against the Agreement:

> The present is the most inopportune time which could be chosen for that particular sale. Indeed to sell the Beer Undertaking must be interpreted by all the inhabitants of the Townships as a deliberate removal of the only substantial source of capital asset open to any Board which may be set up when the Local Government Laws Amendment Bill becomes law.[80]

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[77] "Comment: Beer Sales," *The Herald*, April 6, 1979

[78] NAZ, Box 196777, File A/6/11/8 vol. 1, Treasurer to the Acting Town Clerk, May 31, 1978.

[79] CM, File 0:7, Ellert to the Director of African Administration, January 19, 1968.

[80] NAZ, Box 196777, File A/6/11/8 vol. 1, Some Observations on the Municipal African Beer Undertaking, January 16, 1979.

The proposed deal, some argued, had the potential not only to deprive the new government of revenue, but also to further poison race relations at a time the country was moving towards independence. As Alderman Morris observed, "such a situation cannot make for that friendly co-operation between races or between adjacent local authorities which it is essential to work for NOW."[81] He further appealed

> to the members of the Salisbury City Council not to make any change whatsoever in this matter until after the April elections and the new Government is in being when the new Boards can make the decision for themselves. The success of the radical changes which must result from that election simply MUST not be jeopardized by any premature action by the present Council.[82]

In the end, eighteen councilors ignored Alderman Morris's advice, and in June 1979 voted to sell the Brewery to HCBL. The Agreement was to become effective in September of the same year. By the Agreement, HCBL took over the production and distribution of African beer in Salisbury, and the SCC retained control over the retail outlets. More than three decades later, a former Rufaro Marketing manager, Earnest Chinamora, like many other former employees of Rufaro, maintained that whites fraudulently sold the Council's cash cow to one of their own to deprive the incoming black government of income.[83]

Did HCBL executives and those eighteen councilors who voted for the sale of Rufaro Brewery collude, as is suggested by the proponents of the conspiracy theory? There is no concrete evidence of collusion between the councilors and HCBL, or between Rufaro Marketing's white managers and HCBL. Unsurprisingly, there is evidence that HCBL tried to influence the process. For instance, in October 1977, HCBL invited members of the Rufaro Consumer Interest Panel to a party at Monomutapa Hotel. According to one member of the Panel who attended the party:

[81] Ibid.

[82] Ibid.

[83] Interview with Earnest Chinamora, Glen View, Harare, September 23, 2014.

> the purpose of the Sundowner [party] had clearly been for the Heinrich's Organization to attempt to influence members on the whole question of sales of Chibuku within [the] Council's area of jurisdiction, more particularly with a view to prevailing upon Council to legalise sales of Chibuku in its own selling outlets.[84]

Members of the Panel did not have any direct influence on the process since they did not vote in SCC affairs. They, however, represented the views of Africans in the Townships, which the white councilors supposedly represented.

If there is no evidence to support the conspiracy theory, why then do former black Rufaro Marketing managers maintain that the Agreement was a fraud? Three reasons explain this. First, to many Africans, the timing of the Agreement was suspicious. The fact that the Agreement was signed in 1979 when it was apparent that independence was inevitable led some black managers who took over in the 1980s to invent a conspiracy theory explaining why and how the Agreement was signed. According to R. Jeke, the Acting Operations Manager in 2003/4, "when the whites [in managerial positions] found out that they were about to go, they rented out the brewery to Chibuku."[85] A former Managing Director of Rufaro Marketing, C. Mutsai, admits that there is no concrete evidence to prove that the agreement was a fraud, but maintains that the agreement was "a buddy thing."[86] He further noted that "given the fact that it's now known that Chibuku gets most of its revenue from Harare, it appears as if the deal was conveniently done … just before independence."[87] Mutsai, like Jeke, did not cite any direct evidence to support his allegations.

Second, the story of sabotage fits the meta-narrative of decolonization, where in countries like Guinea the departing French colonists "rip[ped]

[84] NAZ, Box 196777, File A/6/11/9 Vol. 1, Notes of the 7th Meeting of the Rufaro Consumer Interest Panel, October, 17, 1977.

[85] Interview with R. Jeke, Mbare, Harare, September 25, 2003.

[86] Interview with C. Mutsai, Mbare, July 10, 2003. This view was shared by A. Gumbu, a former marketing manager of Rufaro Marketing (interview with A. Gumbu, Mbare, Harare, December 15, 2002).

[87] Interview with C. Mutsai, Mbare, July 10, 2003.

telephones, expropriat[ed] government files, withdr[ew] personnel, cut off trade" in an effort to paralyze the country (Birmingham, 1998, 103). The Portuguese did the same thing in Mozambique, [88] as did the Belgians in Zaire.[89] Little wonder that in explaining the Agreement, Rufaro managers referred to events in these countries. Third, the conspiracy theory gained credence when Ellert joined HCBL and was subsequently posted to head the company's subsidiary in neighboring Botswana. According to Mutsai and Jeke, the fact that HCBL employed Ellert suggests that he conspired with the company to sell Rufaro Brewery. There is, however, no direct evidence that Ellert colluded with HCBL. It is possible that HCBL hired Ellert solely based on his knowledge of the industry in the region. It is also important to point out that Ellert left Rufaro Brewery for HCBL in 1977, more than two years before the Agreement was signed, having reached the mandatory retirement age of sixty, a fact that both Mutsai and Jeke were unaware of. What the advocates of the conspiracy theory also seem to miss is the fact that discussions that led to the sale of the Rufaro Brewery did not start in the late 1970s, but in the early-1970s. From the mid-1960s, LUD officials worried about declining sales of African beer. By as early as 1971, Ellert had become convinced that "African beer will eventually disappear off the market."[90]

In the short term and from a purely economic point of view, the Agreement made sense. Without the consent of the SCC, HCBL products were flooding Greater Salisbury,[91] and the LUD-produced beer sales were declining at a fast rate, as shown in Figure 1. To the councilors who voted for the Agreement, it was a double-edged sword. First, it was supposed to reduce shebeen activities by making Chibuku beer available in SCC outlets. Second, it was also meant to increase LUD's profitability by selling one of the most popular alcoholic beverages of the time in its outlets.

[88] See, for example, Hanlon (1984, 45-51).

[89] Gerard and Kuklick (2015); Worger, Clark and Alpers (2010, 141-142).

[90] CM, File 0:39, Briggs to Ellert, November 19, 1971.

[91] NAZ, Box 196777, File A/6/11/8, Report By the Working Party Appointed by the Rufaro Brewery Committee for the Development of a Strategy for the Rufaro Brewery Development, March 10, 1978.

Indeed, in the short term, the LUD was able to increase its profits. By December 1979, *The Financial Gazette* was able to report that "before City Marketing took over [the] distribution of Chibuku in June, total turnover was about R$0.73 million a month. Since the merger, July sales increased to R$1 million, with a record of R$ 1.15 million being registered in September."[92] The LUD's profits rose to R$2 million in 1979,[93] up from less than R$1 million in 1978.[94] Until the end of the 1982/83 financial year, volume sales of traditional African beer continued to increase, reaching record sales of 88.8 million liters. [95] Yet, the Agreement alone hardly explains this increase in sales. It was also in part due to the growth in the population of Harare.[96]

However, from 1984 traditional beer sales started to fall continuously.[97] In a 1988 report, the Mayor of Harare, Councilor J.W. Thembani, attributed this decline to "the change in consumer taste."[98] He explained its cause:

> Due to status feeling, patrons have started shifting from drinking traditional beer to clear beer. Latest trends in population demographics suggested that the market was getting younger and more literate, implying some modifications in lifestyle, behavior patterns and attitudes.[99]

While Mayor Thembani was correct in stating that there was a change in taste, he was wrong in suggesting that this was a recent development. As shown earlier, this process was already underway in the 1950s. Nor

[92] CM, File 0:6, Extract from *The Financial Gazette*, December 21, 1979.

[93] "New Projects to Boost Leisure Opportunities," *The Herald*, October 28, 1980.

[94] "Comment: Beer Sales," *The Herald*, April 6, 1979.

[95] City of Harare, Zimbabwe, Minute of Councillor J.W. Thembani His Worship the Mayor, 1988

[96] City of Harare, Zimbabwe, Minute of His Worship, The Mayor Councillor T.A. Gwata, 1982-1984.

[97] City of Harare, Zimbabwe, Minute of Councillor J.W. Thembani His Worship the Mayor, 1988

[98] Ibid.

[99] Ibid.

was the shift solely a result of demographic changes. The new government also hastened this process in two other ways: first, it taxed traditional beer at a higher rate than clear beer. This, as the Mayor put it,

> resulted in the narrowing of price differentials between traditional beer and clear beer. As a result, patrons tended to switch on to the prestigious clear beer obtainable anywhere else besides the City Marketing Department outlets. This trend eroded the department's profit margin.[100]

Although the government never gave an official reason for taxing "traditional" beer at a higher rate than European-type clear beers, one can deduce that it was part of a raft of measures taken by the government in the early 1980s to reduce drunkenness among low-income earners. Then, as the Minister of Local Government and Housing, Eddison Zvobgo, argued, the government wanted "to ensure that we do not have a nation of drunkards … for a drunk nation has no vision of the future."[101]

Second, in 1984, the new government repealed the monopoly clause of the Traditional Beer Act, thereby ending the monopoly the SCC had enjoyed since 1911. The removal of the monopoly clause exposed City Marketing to unprecedented competition. According to the then Mayor of Harare, S.C. Tawengwa,

> The promulgation of the new Liquor Act has had far reaching negative effects on the City Marketing Department's operations. Before its enactment, City Marketing Department had a monopoly of traditional beer in Greater Harare. Stiff competition from private entrepreneurs has resulted in a loss of market share and consequently in reduced overall sales in the department.[102]

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[100] Ibid.

[101] Herald House Library, 12B2, "Drunkards Are Out," *The Herald*, date stamped March 29, 1981.

[102] City of Harare, Zimbabwe, Minute of His Worship, The Mayor, Councillor S.C. Tawengwa, 1986-1987.

By the end of 1986 "private entrepreneurs had captured almost half of the Packaged Beer market."[103] While "there was a general decline in sales of traditional beer … [there] was a marked rise in sales of clear beer".[104]

It was also after independence that the shortcomings of the Agreement became apparent. According to A. Gumbu, who was Rufaro Marketing's Marketing Manager from the mid-1980s to 2001, HCBL started to sabotage Rufaro brew by, among other things, injecting a bacteria in the Rufaro brew that made the brew go sour quickly and by delivering it late.[105] According to Mutsai, the Agreement was defective in part because it had no provision that allowed Rufaro Marketing to "post" its employees to monitor how the beer was brewed and any other issues necessary to monitor.[106] This allowed HCBL personnel to tamper with Rufaro brew. These observations by former Rufaro Marketing managers were not just retrospective insertions to justify the decline of the company under their watch. Even during the 1980s, the SCC attributed the decline in traditional beer sales in part to HCBL's conduct. A 1988 Mayor's report, for instance, attributed the decline to the fact that "the product was sometimes delivered sour (especially Rufaro) and at times there were run-outs due to non-delivery by Chibuku Breweries."[107] The effect of this was to force customers "[to] switch to clear beer and other alcoholic beverages" as well as to reduce the profitability of SCC outlets as they remained open without selling, thereby incurring operating costs without the corresponding income coming in.[108] Rufaro brew's popularity further declined while that of Chibuku beer soared. By the end of the 1980s, HCBL was selling more opaque beer in Harare than Rufaro Marketing.[109]

[103] City of Harare, Zimbabwe, Minute of His Worship, The Mayor, Councillor O.A. Gara, 1985-1986.

[104] City of Harare, Zimbabwe, Minute of His Worship, The Mayor, Councillor J.W. Thembani, 1988.

[105] Interview with A. Gumbu, Mbare, Harare, December 15, 2002.

[106] Interview with C. Mutsai, Mbare, Harare, July 10, 2003.

[107] City of Harare, Minute of Councillor J.W. Thembani, His Worship The Mayor, 1988.

[108] Ibid.

[109] Interview with C. Mutsai, Mbare, Harare, July 10, 2003.

Conclusion

This article has argued that, contrary to the popular belief that the white-dominated SCC sold Rufaro Brewery to fellow whites to deprive the incoming black government of a "cash cow", it sold the brewery because it was losing its market share to competitors. Without Council approval, Chibuku and other alcoholic beverages were entering the SCC's monopoly area, reducing the LUD's profitability.

The LUD could not effectively compete with its rivals primarily because by the 1960s Africans in Salisbury considered the LUD-manufactured beer an inferior product. With the rise of disposable income during the postwar period, many Africans preferred drinking European-type clear beers to African beer. Thus, contrary to scholars such as Byunglak Lee and Victor Tremblay who contend that "income [has] little effect on the demand for beer" (1992, 73), in Rhodesia, there was a close relationship between the income of Africans and the type of beers they consumed. The demand for European-type clear beers increased during the postwar boom years, and conversely, the demand for African beer (particularly the LUD-manufactured one, a type of beer Africans considered inferior to other alcoholic beverages) declined in these years. It was this decline in demand for the LUD-produced beer and the concomitant decline in the LUD's profitability that forced the LUD to enter into a partnership agreement with HCBL. In other words, to SCC the Agreement was a means of managing an aggressive competitor it could not compete with.

This is not to say HCBL did not sabotage the SCC's beer monopoly in African townships. Starting in the early 1960s, and even after the signing of the Agreement, HCBL deliberately sought to undercut the SCC's African beer monopoly. The signing of the Agreement was a culmination of changes that started decades earlier. In particular, HCBL started to undermine the LUD in the 1960s when it strategically set up its brewery in Seke, just outside Salisbury's monopoly area. From here, HCBL was able to penetrate the LUD's monopoly area, working in conjunction with shebeen and bottle store owners. After gaining control of Rufaro Brewery through the Agreement, HCBL was able to further undermine Rufaro Marketing by delivering Rufaro brew late, and by allegedly injecting bacteria that made Rufaro brew go sour quickly, thereby increasing Rufaro brew's unpopularity with consumers.

The decline of the LUD also shows how a private company undermined a state monopoly that was slow, if not unable, to respond to the needs of Africans. Faced with an African population demanding an alcoholic beverage with a higher alcohol content, it could not deliver because the alcohol content of African beer was set by law. Faced with an increasing demand for European-type clear beers, it invented the Buffalo brand, a poor imitation of European clear beer that Africans despised. Confronted by Africans complaining about the lack of "comforts" in its outlets, it fell behind its competitors (shebeens and other private liquor outlets) in the provision of the services and facilities they required. Little wonder that by the 1960s, Africans regarded the LUD-manufactured beer inferior not only to European-type clear beers but also to HCBL beer.

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