Abstract
The article deals with the history of formal agricultural credit in Tanzania during the first years of independence, up to the Arusha Declaration in 1967. During this period greater efforts than hitherto were made to reach the small African farmer and make him switch to improved methods of production. The period also saw the emergence of national policies in the monetary sector. Some old credit institutions were abolished and new ones were established. The foundations were laid for present rural lending policies. In quantitative terms little was achieved, however. In 1967-68 no more than 4.5 percent of all loans to rural households came from, inadequately functioning, public institutions.