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ZAMBIA MOVES INTO THE FOREFRONT
OF THE
RHODESIAN CONFLICT

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JAN SMUTS HOUSE
UNIVERSITY OF THE WITWATERSRAND
JOHANNESBURG

6th JUNE, 1966

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You will remember that when we last met (2/5/66) it had just been decided that informal talks between officials should take place in London to see if a basis could be found for a settlement of the dispute between Rhodesia and the United Kingdom. These talks have now reached the stage of their second round in Salisbury, but so far no word has been allowed to leak out, either in London or in Salisbury, about the discussions or whether there is any prospect of agreement being reached. The two groups of officials, however, have already reported once to their governments and it must be assumed that the two governments have at least decided that there is justification for the talks continuing. It has been emphasised in London that the objective of the second round of talks is to delimitate, as quickly as possible, an area which it would be desirable for ministers of the two governments themselves to discuss. It has also been suggested that both governments are hoping that agreement may be reached by August. Parliament rises early in August, Mr. Wilson has secured the postponement of the meeting of Commonwealth Prime Ministers from July to September, and the United Nations Assembly will meet soon afterwards: August is therefore an obvious date, but whether the date led to the speculation or the speculation to the date is a question which indicates the unwisdom of reading too much into it.

That there is genuine hope of agreement is perhaps better deduced from the manner in which the dispute has been discussed, both in London and Salisbury during the past five weeks. It has been emphasised in London that Mr. Wilson is most anxious to see a solution reached: there has been no more talk of beating Rhodesia to her knees, no more statements that there could be no negotiations with a government of rebels; and it has been repeated that Britain remains totally opposed to military sanctions. There have, indeed, been references in the past ten days to sanctions biting increasingly in Rhodesia: it has been said that the tobacco auctions have so far brought in only half the amounts paid in previous years; it has been pointed out that Rhodesia has lost considerable sums in its unsuccessful effort to secure the delivery of oil to Beira by chartered tankers; and it has been suggested, although without much evidence, that Rhodesia's sales of metals have been reduced. It has also been suggested, more in sorrow than in anger, that Rhodesia's attempt to make Zambia pay for the freighting of its copper by Rhodesia Railways is likely to cost Rhodesia more in lost exports to Zambia than it can produce in Rhodesian revenue. Similar statements have, however, been characteristic of British comment at other times when it has been felt desirable to balance a more moderate approach by statements designed to bring comfort to the champions of the policy of sanctions against Rhodesia. Similarly, in Salisbury, there has been a refreshing absence of references to Mr. Wilson as a communist agent, and to Her Majesty the Queen as an outworn symbol: indeed, I have been

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told that the principal pre-occupation in Salisbury in recent weeks has been the celebration of Commonwealth Day and the saving of sufficient petrol coupons to enable rebel Rhodesians to attend Mr. Dupont's garden party on the occasion of the Queen's Birthday.

The situation has also improved temporarily at the United Nations. The African countries did achieve their objective of securing a further meeting of the Security Council to consider a resolution which they submitted, calling on Britain to impose a land, sea and air blockade to prevent oil and other supplies reaching Rhodesia and to take all measures, including force, "to abolish the racist minority regime." The British representative, Lord Caradon, was however able to take the line that while Britain had no intention of moving from her previous position, the present time, when the two groups of officials were trying to find a formula to bring the rebellion to an end, was not the appropriate moment to call for an intensification of sanctions. This view was supported by enough members of the Council to ensure that the resolution received insufficient affirmative votes to be carried. Those opposing it, however, with the single exception of New Zealand, did so by abstention and not by negative votes. The countries voting for the African resolution were Bulgaria, Jordan, Mali, Nigeria, Uganda and Russia: nine affirmative votes would have been needed to carry it. There is, of course, nothing to prevent the Afro-Asian countries from calling upon the Council to reconsider their decision at any time when they may believe that they can secure sufficient support to carry either the resolution which was defeated or another resolution calling for more drastic action against Rhodesia and/or Portugal and South Africa.

For her part, Rhodesia, for the first time, has asked to be heard by the Security Council whenever the dispute between Britain and Rhodesia is under discussion by it. The Rhodesian Government telegraphed their request to the Secretary-General, but according to press reports, he stated that since the Rhodesian Government was an illegal regime, it was not necessary for him either to submit the request to the Council or to send any reply to it. If this report is correct it would appear to have been a decision of dubious legality by Mr. U Thant. There is nothing in the Charter which authorises the Secretary-General to decide whether a regime is a legal one or not, or which instructs him to disregard communications from any government, legal or otherwise, and the Charter itself provides, in Article 32, that when a government is a party to a dispute it must, whether or not it is a member of the United Nations, be summoned to the Security Council to be heard. The wording of this Article is:

"Any member of the United Nations which is not a member of the Security Council, or any State which is not a member of the United Nations, if it is a party to a dispute under consideration by the Security Council, shall be invited to participate, without vote, in the discussion relating to the dispute. The Security Council shall lay down such conditions as it deems just for the participation of a state which is not a member of the United Nations."

You will notice that the Article refers to "any state which is not a member of the United Nations", and the Secretary-General has clearly taken refuge in the argument that Rhodesia is not a "state" but a rebellious colony. The precedents, however, are against him. You will also notice that the Security Council is entitled to lay down conditions: so far it has not been given by the Secretary-General the opportunity to do so: they could be quite restrictive. Until, however, the correspondence between the Rhodesian Government and the Secretary-General is published, it is difficult to discuss the grounds on which Rhodesia may have claimed to be heard, what conditions the Security Council might, at a later date, impose for the hearing, or the effect which Mr. U Thant's decision may subsequently be deemed to have had on the validity or otherwise of any resolutions which may have been adopted by the Council in Rhodesia's absence. Although no resolution was adopted at the meetings of the Council in May, resolutions had, of course, been adopted at earlier meetings and the question is not therefore an academic one.

A month ago I drew attention to the fact that the effects on Zambia of the dispute, and of the continuance of sanctions, had tended in recent months to be overlooked. The intervening weeks have brought Zambia right into the forefront. The Zambian Government began by taking the lead in proclaiming the complete failure of existing economic and financial sanctions against Rhodesia, in demanding that the British Government should take much more drastic action, and in calling upon Rhodesian Africans to take active steps to overthrow Mr. Smith's Government. On the 30th April President Kaunda, at Lusaka Airport, denounced as "entirely uncalled for" the renewed contact between the British and Rhodesian Governments. "It was," he said, "out of place with the thinking one would like to attribute to the Labour Government in Britain." Later the same day President Kaunda called upon Rhodesian Africans to sacrifice their lives to overthrow Mr. Smith's Government. He told a mass rally at Nchanga, "before the British would talk to Makarios they sent him to an island, before they would speak to Kenya's Jomo Kenyatta they jailed him, and before they would speak to me, they jailed and detained me. Why not Smith? Is it because he is white?" Zambia had a right to find out when Britain was going to use force. "Are they going to wait until thousands of people are killed?" On the 5th May it was reported that Mr. Kapwepwe, the Zambian Foreign Minister, had denounced the British Government for "going back on its knees to open talks with Mr. Smith ... we see no chance that Mr. Smith is going to give in an inch. We do not know what is behind Britain's decision, unless it means that the sanctions have failed." Mr. Kapwepwe then developed the argument that the British were the right people to use force because they would be moving into a British colony. Zambia was opposed to intervention by African states because "if that happened we would have a racial conflict of the worst kind." President Kaunda, himself, on the 12th May, again demanded that Britain should use force: "talks are not the answer. Smith is merely stalling for time. To me the answer is military action, in block letters. Blood has got to be spilt. This is fundamental

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in any freedom movement." President Kaunda said that just after U.D.I. he had pressed the British Government for military action immediately, and told them that Zambia was willing in that event to break off all relations with Rhodesia. "This action would have pulled Rhodesia to pieces, but Smith had been allowed to grow in self-confidence." He also said that "as long as we have an enemy on our back doorstep we cannot put all our resources into the development of our country." You will notice that the Zambian demand that Britain must herself be the country to use force against Rhodesia, in order to avoid the racial war between black and white, which would result if Zambia or other African states resorted to force, is a neat answer to the demands of other African states, at the Organisation for African Unity and elsewhere, for bases in Zambia to enable them to use force effectively. It also enabled the Zambian Government to turn against Britain the argument that economic and financial sanctions against Rhodesia would have succeeded but for Zambia's reluctance to stop all trade with Rhodesia. Even so, it ran into rather fine distinctions when it is remembered that it was from Zambian bases that Chinese-trained terrorists were infiltrated into Rhodesia in April to attack white farmers and members of the Rhodesian police or armed services (as well as to sabotage the pipe line), and that President Kaunda himself has called upon Rhodesian Africans to use force, and to shed blood, although he has emphasised that the object is to precipitate the British intervention which he says is necessary to bring racial strife within Rhodesia to an end.

Why did the Zambian Government suddenly feel impelled to take the lead?

In the first place the Governments (in particular the United Kingdom and the United States) which had organised and paid for the airlift of petroleum (normal supplies of which had been cut off by the imposition of the oil sanctions on Rhodesia) had undoubtedly notified the Zambian Government of their inability to extend the airlift indefinitely. I drew attention at the beginning of May to the fact that the airlift and the road-haul of oil and other materials to Zambia were both breaking down: the one by the need for overhaul of the aircraft which had been supplied for a short-term airlift, and the other owing to the wear and tear on the vehicles and containers used for the road-haul and the deterioration of the roads under heavy traffic for which they had not been intended.

In the second place the continued increase, during April, in the world price of copper and the decision of Zambian ministers (without, according to Mr. Oppenheimer's statement of last week, any warning to the copper companies), to follow the example of the governments of Chile and the Congo in appropriating a portion (40%) of the additional profits (between £300 a ton and the L.M.E. price, then £500, and now £600), promised to increase Zambia's revenue, if the L.M.E. price was maintained, by £50 million a year or more. This windfall, the Zambian Government may have calculated, would not only enable them, if necessary, to arrange their own airlift, but also allow them to take financial risks such as they could not and would not have taken in the past.

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In the third place the Government of the Congo announced at the beginning of May its decision that all copper from the Katanga mines should in future be exported, not via the Benguela Railway through the Portuguese territory of Angola, but by rail to Port Francqui and thence carried by river steamer to Leopoldville whence it would be carried by rail to Matadi and then retranshipped for a third time to ocean-going ships. The Congo, and not other countries, would as a result, receive all the freight revenue to the port of final loading. I do not want to consider here the additional cost which this decision involved for the Katanga mining companies or the effect of this additional cost on their competitiveness in world markets, but I do want to draw your attention to the possibility which it created of Zambia utilising the vacant freight space on the Benguela Railway to save money by bringing in more of its own imports via that railway and to effect further savings by exporting copper via Benguela, instead of via the East African ports and particularly Beira.

Zambian ministers therefore, in a somewhat euphoric condition at the end of April, believed that not only were their financial difficulties likely to be solved, and that they could, if need be, pay for any airlift required, but that the action of the Congolese Government had given them in the Benguela Railway - (1) an alternative to the airlift for the import of oil; (2) an alternative way of importing goods from outside Africa, if they cut off trade with Rhodesia as required by the United Nations, and (3) an alternative route for the export of copper if the Rhodesian Government should retaliate for the trade boycott by refusing to carry copper through Rhodesia.

Nor were political motives lacking. Alastair Sparks has pointed out that eighteen months after independence is a danger period for African Governments. The post-independence honeymoon is over between the various political parties, discontent among the people increases steadily as independence is seen not to have produced the economic millenium, and the allocation of key personnel to a multitude of new posts which have to be filled (in development projects, in the officer cadres of the new military forces, in the new diplomatic service, and so on) leaves the governing party's own organisation dangerously depleted for the key task of carrying public opinion with the Government in what should be its choice of long-term benefits rather than short-term profits. At such a time ministers appear more moderate and cautious than their critics, and they are inevitably exposed to the criticism of neglecting their duty to their followers once they have feathered their own nests.

Externally too, Zambian ministers had been in the unhappy position of having to oppose the militant but irresponsible demands of ministers of other African States to make Zambia the base for a military crusade against Rhodesia, a crusade the hopelessness of whose outcome would involve Zambia itself in the desolation of military counter-action by Rhodesia. The fact that while Africans were urging action,

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Britain was urging caution, made the Zambian Government's decisions, however wise and however dictated by Zambia's own interests, appear also to show undue subservience to their former colonial masters.

Finally, Zambian ministers had in mind that Zambia's imports from Rhodesia had been running this year at last year's full rate of £30m. a year. British sources had recently claimed that sanctions would cut Rhodesia's exports this year by about 50%, i.e. to £80m. If Zambia now prohibited all imports that total might be further reduced, by the end of 1955, to £62½m. This prospect, they may well have believed, might bring Mr. Smith's Government to its knees, and Zambia would have the credit. In any event the risks to Zambia's economy could now be taken, for stocks were high in Lusaka and elsewhere, and it looked as if there would be plenty of money to pay for any replacement imports even if they proved to be more expensive.

African States are not usually given much leisure to await the consequences of their actions, particularly in economic and financial matters. They live so close to the borderline of viability that retribution is apt to strike before they know what is happening. But what happened in Zambia in the latter half of May must be something of a record.

It did not take more than a few days for other countries, particularly the United Kingdom and the United States, to take advantage of the Zambian Government's decision to levy the additional tax on the export of copper - a levy which ultimately must fall upon the British, American and other consumers - to decide that the extra £50m. a year of revenue which the Zambian Government hoped to obtain would be much more than sufficient to enable Zambia to take over from them much of the burden of the cost of supplying Zambia by air or by road, with the petrol and other materials which the United Kingdom and the United States and other countries had undertaken to supply since the imposition of sanctions against Rhodesia. The Zambian Government did their best to persuade the U.S. & U.K. Governments to reverse their decision because they had intended to use the new revenue for their own purposes, developmental or otherwise. Mr. Wina, the Zambian Finance Minister, immediately left to remonstrate with the Governments concerned. President Johnson made a general promise of assistance to developing countries in Africa and elsewhere but both the United States and the British Governments decided to terminate at the end of May the airlifts of petrol which they had been financing. I have noticed no reports that either they or the West German Government are prepared to contribute alternatively to the cost of completing and surfacing the road route to Dar-es-Salaam, which might eventually do away with the need for an airlift, or to supply further road transport at their expense. Mr. Wina's only success appears to have been a promise of \$17,500,000 (£6m.) from the World Bank towards the cost of the road route, and much more is likely to be needed.

At the same time the Rhodesian Railways Board,
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which controls the operation of the joint railway system in Rhodesia and Zambia, found itself obliged, by a post-U.D.I. decision of the Zambian Government not to allow the remission of funds to Rhodesia, to take drastic action to enforce payment of the freight charges for Zambian copper exported to Beira over the joint system. These charges amounted to about £500,000 a month, Zambia was five months in arrears, and the Railways' working capital in Rhodesia was down to £500,000. Continuation of this situation could have rapidly reduced the Rhodesia Railways to bankruptcy, and the Rhodesian Government therefore decided in mid-May to refuse to allow the Rhodesian section of the Railways to carry Zambian copper unless advance payment had been made and in hard currency. They were undoubtedly also influenced by the possibility of using the railway weapon to bring pressure on the Zambian Government to reconsider its proposed ban on imports from Rhodesia. The Zambian Government refused to allow the advance payments to be made, instructed the mining companies to continue to send trains loaded with copper into Rhodesia and sought an injunction in the Zambian High Court against the Railways Board in the hope that this might lead to a court action in Rhodesia to test the legality of the Board's action, and indirectly, possibly, the legality of other actions taken by Mr. Smith's Government since the U.D.I. It was at first reported that the trains carrying copper would be stopped at Livingstone, but the Zambian Government ordered them to proceed and the Rhodesian authorities wisely allowed them to cross into Rhodesia where, it is now reported, that they have the freight of four complete trains and the rolling stock of the trains also. This could go on until all the engines and wagons in Zambia are congregated in Rhodesia (a useful bargaining counter for Mr. Smith), and some further action by the Zambian Government is therefore likely in the immediate future.

It is not easy to see what it will be, for the third blow to the Zambian Government has been that the alternative routes do not look like being half as effective as had been hoped. Even with the World Bank loan of \$17½m. the road-route to Dar-es-Salaam is unlikely to be restored and improved in time to carry more than the existing level of freight this year. The oil and other essential materials brought in until the end of May by the airlift, will have to be got in probably by a new Zambian-financed airlift, and the prospects of getting out the copper are grim. There are four possible alternatives to the Rhodesia Railways: the first, by rail, river and rail to Matadi. This had, as mentioned earlier, been pre-empted by the Congolese Government for copper from Katanga, but it was announced this morning that the Congolese Government has nevertheless agreed to carry 10,000 tons a month from the Copperbelt. The second is by road to Malawi and by the Shire River railway to Beira; this is already said to be working to near maximum capacity. The third is the hoped-for route of the Benguela Railway to Lobito Bay in Angola. A careful article in the London 'Economist' of 7th May, however, reported that the Benguela Railway Company had offered to double the present capacity of the railway (including the building of 200 miles of additional track) if the Zambian Government would give the

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Railway a long-term contract for the export of 20% of Zambia's copper production. The Zambian Government are said to be considering the offer but such a contract would conflict with their desire and plans for an all-African route to Dar-es-Salaam on the East coast, and it would appear from the offer that the Benguela Railway could, even after the new track had been laid, which might well take two or three years, not envisage being able to take much more than 20%. For it looks as if the Congolese Government has also been backtracking. If the Congo Railway - River - Railway route can now take 10,000 tons of Zambian copper, it is likely that this conceals a concession by the Congo Government to the Union Minière by which the latter are to be allowed after all to use the cheaper Benguela Railway to the extent of 10,000 tons a month. The Benguela Railway would therefore appear to have been a broken reed in the Zambian Government's calculations. The fourth route is the road route to Dar-es-Salaam, the route which has, like the airlift, been breaking down. Nonetheless, the Zambian Government have had to pin their remaining hopes on it, for they have announced that 240,000 tons a year (i.e. 20,000 tons a month) of Zambia's copper will be got out this way: this route cannot carry the copper ore until it is remade and it would seem, therefore, that in a matter of weeks the Zambian Governments may be driven to allow copper to be exported over the Rhodesia Railways.

The final blow in May to Zambian hopes had been the realisation that to the extent that copper exports are restricted, the Zambian Government's expected accession of revenue from copper sales will be restricted *pari pasu*: indeed, any serious restriction of exports would not only remove any prospect of additional revenue, but would reduce revenue below last year's level. The Smith Government may, for its part, prove to be able not merely to enforce its terms for Zambia's copper exports, but to insist, as part of the price to be paid, that Zambia raises its embargo on imports from Rhodesia. It is of interest in the latter connection that there are already important gaps in the embargo: coal from the Wankie collieries in Rhodesia and Rhodesian lime, also needed for the furnaces, are still being imported and it is not clear what goods have in practice been embargoed.

The Zambian Government were, at the beginning of May, clearly hoping for a very speedy collapse of Mr. Smith's Government. They believed themselves, for the first time, to be in a position in which they could contribute effectively to bring this about, and they decided to do so. By the end of the month they must be much less optimistic.

Mr. Smith's Government is, indeed, probably going through its most difficult period since the imposition of sanctions, but, as already said, there are no signs of collapse, and Rhodesians will probably be prepared to bear the burdens of sanctions for some months to come without Mr. Smith's position becoming shaky. The political pressure from the U.K. and the United Nations has been relaxed, and the threatened steps to

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force South Africa to reduce her economic and financial assistance to Rhodesia have not been taken. Zambia's boycott of imports from Rhodesia has proved to be only partial and it may not be within the power of the Zambian Government to maintain either the boycott or their refusal to hand over the freight charges. Any withdrawal by the Zambian Government of the steps it has taken against Rhodesia will undoubtedly be regarded in Rhodesia as a victory, and will give Mr. Smith a useful accession of prestige, as well, possibly, as of foreign currency. In any event he can certainly hold out well beyond Mr. Wilson's August deadline for the successful outcome of the British-Rhodesian talks.

Financial and economic forces may by that date also be working powerfully on the British Government to agree to a settlement which they will hope will either be accepted by the United Nations or render an extension of U.N. action so obviously abortive that it will either fail to secure sufficient support, or, more likely, be accepted as a gesture rather than a weapon.

With the imposition of sanctions Britain lost the Rhodesian export market of £30m. a year, and has been committed, in consequence of them, to other action unlikely to cost less than £20m. this year. The announced deficit in the balance of payments for May was £38m. (double that for April), and Paul Bareaux has this weekend stated that this deficit did not include certain drawings from the Import Export Bank and elsewhere, for the purchase of sterling to meet future commitments. The shipping strike is adding to the deficit by the loss of the sums which the ships would otherwise be earning, by the additional cost of using foreign shipping, and by the temporary, and possibly, to some degree, permanent decreases in exports. British Shipping last year earned £730m. or £60m. a month; only British ships in or arriving at British ports are affected by it, but the monthly loss is likely increasingly to exceed the £20m. forecast last week by the Economic Institute in London. Loss of exports can be serious when the monthly total is over £250 million. The months from June to September inclusive are those during which the demand for foreign currency for overseas holidays always throws the balance of payments out of gear. And as soon as they are over, Britain will be faced with the pent-up flow of imports necessary for the 10% surtax to be abolished. The cumulative effect, added to the adverse effects on exports of the continued failure in Britain to control incomes and therefore prices, has already been to reduce the increase expected in national productivity from 4% to 2%, and not even this is likely to be achieved. Priced out of competitiveness, with its last currency reserves being committed to sustain the exchange rate, the temptation to Mr. Wilson must be great to get rid of the Rhodesian complication before he is compelled to face his own supporters in the Labour Party with devaluation and other measures calculated, in effect, to reduce the standard of living of all British wage-earners. This argument can, of course, work both ways: if the economic crisis developed first, then angry Labour M.Ps would be calling for Mr. Smith's head on a charger, as some mild assuagement of their

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feelings, but tactically this would be for the Government to let the minor crisis blow up into a major one.

It will be seen that once again, and increasingly each month, the Rhodesian and the U.K. Governments are finding time running out, and now the Zambian Government is finding this also. I can only hope that when we meet again - at the beginning of August - the British and Rhodesian Governments will have proved sufficiently statesmanlike to settle, at least as between themselves, a conflict which is proving as damaging to both as it was unnecessary. The Zambian Government, for their part, having sought to consolidate their position by taking the lead against Rhodesia, may in the end find it weakened by failure to achieve their objective.

I should perhaps also draw attention to the fact that, from South Africa's point of view, unless the Rhodesian dispute is settled soon, fuel could be added to the flames by the consequences of the judgement of the International Court on the South West Africa case: if the judgement is mainly adverse to South Africa, then there could be a demand for sanctions against South Africa, if South Africa should refuse to heed it, added to a demand for sanctions because of failure to implement the recommendations of the United Nations for a complete economic and financial boycott of Rhodesia. For South Africa time is perhaps running out even more rapidly than for the other Governments.

I prefer, at any rate at this stage, not to think of the mess that, even if there is agreement between Britain and Rhodesia, will still remain to be cleared up.