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RHODESIA - THE TIDE TURNS

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WARNING

Members are reminded that this address was given in a private meeting and that any statements or declarations made by the Speaker may be repeated but must not be linked with the Speaker's name nor with the name of the Institute.

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UNIVERSITY OF THE WITWATERSRAND
JOHANNESBURG

3rd August, 1966

W A R N I N G

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RHODESIA - THE TIDE TURNS

June witnessed a campaign of denigration of Rhodesia's prospects of avoiding collapse. African states were everywhere demanding military action. It was argued that economic and financial sanctions were bringing the Rhodesian economy to a standstill. Rhodesia's efforts to import oil through Beira had failed and the tobacco crop was unsold: it was stated that the April auctions had been complete failures, and that the tobacco farmers would be facing disaster during the coming year. Her stocks of chrome were building up for want of export markets and both Japan and Germany were said to have imposed prohibition of imports similar to those of the United States and Britain. Her main market for manufactured goods and agricultural produce, Zambia, had announced her intention to stop all imports except pharmaceuticals. Zambia's further decision to prohibit the export of copper over the Rhodesia Railways was calculated to deprive the Railways of their principal freight, and the Rhodesian government of one of its principal remaining sources of external earnings. All Zambia's available work-force, including the army, was to be mobilised in a massive road building, bridge building and airport improvement plan for the next two months to ensure the success of the road and air lift. "I have been accused," said President Kaunda, "of bringing the Rhodesian issue to a crisis by insisting on breaking Rhodesia Railways. All I am doing is to follow logically what was agreed upon with the British Prime Minister in order to end U.D.I. in the shortest possible time." In mid-July the Zambian High Commissioner in London informed the Commonwealth Sanctions Committee that Zambia was "at war with Rhodesia." The South African government was said to be both becoming weary of Rhodesian requests for assistance without evidence of effective Rhodesian action, and to be under pressure from the British and United States governments to limit, if not to reduce, the assistance which she was already giving to Rhodesia, with the implied threat that there would otherwise be no veto if sanctions were proposed in the Security Council, as the result of failure by South Africa to implement the judgement of the International Court on South West Africa. The informal talks between the British and Rhodesian officials in Salisbury were broken off and it was repeated that Rhodesia could only obtain a negotiated settlement with the British government on the basis of the six conditions which had been laid down earlier by Mr. Wilson, i.e. on the basis of what would be an almost complete surrender by Mr. Smith's government. In mid-June a British

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official commented: "the bricks in the wall are falling down, leaving the wallpaper standing," and a few days later the Johannesburg Sunday Times headline was "Rhodesia reeling under sanctions blows."

How different has been the tone in July! It was, as usual, pin-pointed by Dr. Banda in Malawi: he believed neither in the efficacy of economic sanctions nor in military action by the African states: "those," he said, "who believed their so-called friends from outside Africa would help to free Rhodesia were deceiving themselves. You can tell that story to the mercenaries." He repeated what he had said before, that not one African country had either an army or the economy to sustain the recruiting, training, equipping or transporting of an army against Rhodesia. "The problem is Britain's." So far as economic sanctions were concerned, on 28th June, Rhodesia was able to announce that supplies were so satisfactory that petrol could be purchased by any one beyond the rationed quantities for an extra 2/8 a gallon. When the budget was introduced in July, the Minister of Finance reported that sales of tobacco had been much better than had been expected, that only between 20 and 30 out of 3,000 tobacco farmers were likely to be forced off the land, and that the Rhodesian government would guarantee a purchase price of 28d. lb. for 200 million pounds of tobacco in 1966-67. It appeared that Germany was continuing to import copper and Japan iron ore from Rhodesia, and all that the British Minister of State for Foreign Affairs could tell Parliament in July was that Switzerland had agreed not to increase her purchases from Rhodesia. The Zambian government resumed the export of copper via the Rhodesia Railways. President Kaunda complained that "Zambia has become Britain's sacrificial lamb on the altar of the White Settlers' whims", and expressed in no measured terms his poor view of Britain's "criminal colonial record here." The South West Africa judgement put South Africa into an euphoric condition with which the idea of letting Rhodesia go down the drain could scarcely co-exist. And the Sunday Times, with a smart volte face, announced that "hard reality now seems to have been accepted, that the sanctions programme does not look like achieving the objective of bringing the Rhodesian government down" and that "Wilson must drop his majority rule demand."

The first sign of the break came over Zambia's exports of copper. I suggested two months ago that the Zambian government's decision, at the end of May, to send trainloads of copper ore into Rhodesia to test the refusal of the Rhodesian government to allow them to proceed, without payment of the freight in external currency, would simply give the latter valuable assets which would strengthen their hands in the negotiations, and, if persisted in, could lead to a situation in which much of Zambia's rolling stock was impounded in Rhodesia. On 5th June the Zambian government announced that 10,000 tons were being railed by the alternative routes via the Congo and the Benguela Railway. On the 8th, the Anglo-American and Roan Selection companies, realising that it was they who would suffer, suspended railage of copper via Rhodesia. On the 9th June the Rhodesian government ordered the impounding of the copper in the trains, unless payment was made

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in hard currency. On 13th June an attempt to challenge the ruling in the High Court failed. On the 18th the Rhodesia Railways stated that Zambia had made available the necessary currency - £150,000 in U.S. dollars - to enable the trains to proceed. This solved the problem of the three trains and the 10,000 tons of copper (valued at £8-10 million) already in Rhodesia, but worse, from the Zambian point of view, was to follow. On the 20th June the Congo government decided to raise the ban on the export of Katanga copper via the Benguela Railway. This meant that not only had the Congo government's proclaimed policy of sending all their copper via Matadi failed, but that they were reverting to use of the Benguela Railway. Clearly, therefore, no Zambian copper could be carried by the already overburdened and run-down Congolese railway, while the capacity which Zambia had hoped would be freed on the Benguela Railway would also not be available. Worse still, on 28th June, it was announced that Katanga copper would be sent via the Rhodesia Railways across Zambia and Rhodesia to Beira and other ports. The Congolese government did not intend to lose the revenues from its exports of copper while the latter maintained its abnormal and possibly precarious high price! On 30th June the truckloads of Zambian copper in Rhodesia started moving to Beira. On 3rd July it was confirmed that the remaining alternative routes were proving of little assistance. The Salima-Blantyre section of the Nyasaland Railway route to Beira had proved to be unable to carry heavy traffic because of the lightweight rails. The road route to Dar-es-Salaam could not be reformed and strengthened before December, and there were doubts about how long the surface would then stand up to the heavy trucks laden with ore. The airstrip at Mtwara in Southern Tanzania had also proved to be incapable of taking the heavy Hercules air-freighters and only the already crowded airport at Dar-es-Salaam was still available. Finally the Portuguese government had refused to give facilities at the airport at Beira for a direct airlift from Zambia, a refusal which may either have provoked, or been seized upon by President Kaunda to denounce Portuguese troops for crossing the Zambian border in pursuit of rebels, but his action ended any chance of the Portuguese government reconsidering their decision. The Zambian Minister of Commerce (Mr, as distinct from Dr, Banda) accused the oil companies on 10th July of sabotaging the road-freight scheme and on the 12th defiantly proclaimed that Zambia would not use the Rhodesia Railways again. But almost immediately afterwards the Zambian government decided to rail between 60% and 70% of Zambia's copper over the Rhodesia Railways, even though nominally the payment for this in the hard currency required by Rhodesia is to be made by overseas buyers rather than Zambian sellers. Whether, in practice, the British government will allow British buyers, the main purchasers, to obtain the hard currency and to transmit it to Rhodesia is another question which, so far as I know, has not yet been settled. If Zambian copper starts coming over the Rhodesia Railways it will be a fair assumption that Britain has agreed to let the payments be made, both because she needs Zambian copper and because Zambia cannot maintain any sort of economic war against Rhodesia without the revenue from the copper mines. By making

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it a condition that the buyers should pay, Mr. Kaunda was, of course, trying to avoid giving the appearance of having to eat his earlier words, but he is being quite logical. The "Economist" summed up his position as follows: "apart from being under great strain with a load of worries which U.D.I. has made heavier than any load carried by the African head of an ex-British state in the first two years after independence, he feels that he has every right to blame Britain for the continuance, even the start of U.D.I., and to expect Britain to pay for the damage caused to Zambia by it." A question-mark must, however, be placed against the assumption that exporting copper over the Rhodesia Railways will immediately restore Zambia's revenues. The failure to export enabled the Chilean producers and government (mainly the latter) to hold the copper buyers to ransom and prices doubled. Shortages and high prices have both led to substitution of aluminium for copper, and, if the Zambian stockpile were now to be let loose on the market, the latter might collapse. Zambian copper producers and the Zambian government must be praying that the rumours of another possible strike by the Chilean miners prove to be correct.

Zambia, being a newly-independent African state in which prestige is almost as important as 'face' used to be in Asia, it is difficult to escape the conclusion that Mr. Kaunda's position has been seriously weakened. His efforts to rebuild his position have been no more successful. Mr. Wilson persuaded all except four commonwealth countries - India, Tanzania, Trinidad and Tobago - to back him in postponing the planned meeting of Commonwealth Prime Ministers from July to September, and so deprived Mr. Kaunda of his best platform. An attempt to find a substitute in what was called prematurely a "little summit" conference with Mr. Nyerere, Mr. Obote, and Mr. Kenyatta, failed completely: Mr. Kenyatta did not appear and all that Mr. Nyerere could offer in the way of aid was a repetition of his earlier promise to proceed with the building of a railway from Dar-es-Salaam to Zambia. And, having failed to export Zambia's copper, Mr. Kaunda could no longer threaten, without the likelihood of his bluff being called, to stop all Zambia's remaining trade with Rhodesia. Rhodesia had earlier proved, by the exception Zambia itself made, that Zambia could not manage without coal from Wankie: the mines must equally have power from Kariba: and now the use of the Rhodesia Railways has also been proved to be essential. On 23rd July Mr. Kaunda said sadly that Zambia would have to protect her £100 million stake in the Rhodesia Railways. It is no wonder that Mr. Kaunda has rounded on Britain and declared that he has been wickedly misled by Mr. Wilson both as to the prospects of Mr. Smith's government standing up against sanctions and as to the degree of assistance which Zambia might expect from the United Kingdom if it agreed to British requests to cut off all trade with Rhodesia. When Mrs. Judith Hart, Minister of State for Commonwealth Relations, came out with a reported offer of £7½ million in aid, assistance and supplies, he refused, for 12 days, to see her, and referred contemptuously to the "poor girl who just hadn't a clue." It has been reported that Zambia had not only asked for between £40 and £50 million, but had also reminded Britain of a promise said to have been made by Rab Butler, before the Conservative government was defeated in 1964, that Zambia should be compensated to the tune

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of £20 million for what should have been its share of the Federal Air Force, all of which had gone to Rhodesia. Mr. Kaunda's last word has been that Zambia would now start "disengaging" herself from the Commonwealth, pending a final decision in September, but it is difficult to see how this could improve Zambia's position. The London Times has summed up the situation: "Mr. Kaunda is riding a tiger."

The second factor operating in Rhodesia's favour has been the judgement of the International Court on South West Africa. This removed the possibility, indeed the likelihood, that the Afro-Asian states at the United Nations would seize the opportunity of a judgement against South Africa, and what was expected to be South Africa's refusal to comply with it, to request enforcement action by the Security Council. It had been emphasised that the Afro-Asian countries would meanwhile seek further action by the Security Council against Rhodesia in order to create a precedent, and to prepare the atmosphere for action against South Africa. The judgement of the Court in favour of South Africa, therefore, removed not only a very serious threat to South Africa - Rhodesia's main supporter - but also the main stimulus to the campaign for further action by the United Nations against Rhodesia at the present time. While the Afro-Asian countries opposed to U.D.I. will undoubtedly continue to do everything possible to overthrow Mr. Smith's government, or to force Britain to take further steps with the same object, much of the heart must have gone out of the campaign, and it is perhaps unlikely to be revived until after the meeting of Commonwealth Prime Ministers in September.

The third factor which operated in Rhodesia's favour in July was the mild budget introduced by the Rhodesian Minister of Finance which, as I have said, announced the Rhodesian government's intention of assisting the tobacco farmers not only in the disposal of last year's crop, but in raising and disposing of a further crop in the forthcoming season, and forecast their ability to do so and to assist those other aspects of the Rhodesian economy requiring support, without having to envisage more than a nominal deficit of half a million pounds. Whether this forecast proves to be realistic, or is, as critics have said, merely a possibility at this stage, the fact that such a budget was introduced has reinforced the confidence of Rhodesians and undoubtedly strengthened the impression abroad that sanctions are, in fact, proving ineffective in bringing the Rhodesian government to its knees. The Italian-Ethiopian war in 1935-6 proved how rapidly sanctions can disintegrate once confidence in their effectiveness has been lost.

The fourth factor in Rhodesia's recovery has been the rapid decline in the economic and financial position of Britain during the past two months. Emergency measures have had to be taken to control wages, prices and dividends, and what amounts to a further and much more drastic budget introduced in order to prevent immediate devaluation of the £ sterling. During the 24 hours preceding my departure from London in mid-July, Andrew Shonfield of Chatham House said on T.V. that he believed that devaluation would have to come and an editorial in the Times suggested that it might be the right course in the long run.

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The meeting of the Group of Ten Bankers warned that before they would agree to additional liquidity, Britain must put her house in order, and Mr. Wilson has only until September to do so before being obliged to ask for a further three months' extension of credit. I do not want to deal with the British financial crisis, except in its Rhodesian context, but I must point out, in this connection, (1) that the crisis is an immediate one; (2) that the figures to be announced this week for July's balance of payments will reflect both the loss of exports during the seamen's strike and the heavy losses during the run on sterling, and (3) that the new measures seem to be unlikely to have much effect for some months to come. The operation, for example, to save £150 million by reducing the overseas holiday allowance (from £200 to £50 a head) is effectively postponed until November when the holiday season is over. I am inclined, therefore, to expect another run on sterling to develop, either in September or earlier, which may prove to be the straw which will break the camel's back. Whatever happens, Mr. Wilson is going to be preoccupied with the home front. When the official talks with Rhodesia were interrupted in July it was stated that he and other British Ministers would be giving deep thought to their resumption at the end of July, but it was admitted at the end of July that Mr. Wilson had been so preoccupied that he had had no time to give thought to Rhodesia at all. Meanwhile the crisis has led critics of Mr. Wilson's government specifically to argue that if Britain was faced with immediate danger of devaluation, was having to cut her aid to developing countries and her defence expenditure, both in the Far East and in Europe, it was ridiculous for her to be wasting £100 million a year in trying to destroy U.D.I. in Rhodesia. Although, after his July visit to Rhodesia, Mr. Sandys criticised Mr. Smith for irresponsibility in making an U.D.I., he criticised Mr. Wilson even more severely for prolonging an useless economic war. It may be cynical to suggest that a financial crisis in September, affecting all members of the sterling area, could be a very effective way of diverting the attention of the Commonwealth Prime Ministers from Rhodesia to the much more important question of the financial future of their own countries. Indeed, a settlement with Mr. Smith's government might almost be slipped across under the counter.

At this point, I am glad, as an ex-civil servant to be able to pay tribute to the increasing efficiency of the Rhodesian civil service, which has become apparent during the past two months: in the handling by one group of the railway crisis with Zambia; in the complete refusal by those taking part in the talks with British officials to prejudice their successful outcome by being drawn by the press into admissions which, however harmless, could be used to build expectations which might not be realised, and could only harden positions; in the skill with which the budget was prepared; in the conduct of the argument in the Appeal Court; and last but not least, in the way in which negotiations have been, almost simultaneously, carried on with Angola, Mocambique and South Africa for trade concessions, they have indicated an impressive capacity to work to an overall plan. It was significant with how brief an interval the report of the visit of the Rhodesian team to Pretoria to seek a larger quota of Rhodesian manufactures was

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followed by the announcement by Dr. Diederichs of the overall relaxation of quotas within which it may be possible to increase the Rhodesian quota without drawing particular attention to the extra help being given by South Africa. Rhodesia may have gained by the use of ex-Federal civil servants, but not even a flight of swallows makes a spring, and the Southern Rhodesia core of the service must not only have borne the brunt of U.D.I., but also have deserved most of the credit for the hard background work.

Conversely, Mr. Kaunda has found it necessary to retire the expatriate Inspector General of the Zambian police, and his deputy, and to dismiss 15 European officers of the Special branch, all presumably taken over from the Federal Service at the time of break-up. The effect could be serious if the next threat to his position comes from the African side.

This is perhaps the point at which to ask - how far off a settlement are the British and Rhodesian governments at the present time? Mr. Bottomley has, as usual, attempted to rally the opponents of Rhodesia in the United Kingdom by repeating that the British government have no intention of accepting Mr. Smith's government in Rhodesia, and that the prior condition of any settlement must be the restoration of legitimate authority, but he has also stated that the talks will be resumed soon after the end of July, and that Britain still hopes for a negotiated settlement. Mr. Bottomley's statement has, not unjustifiably, been criticised as being at once unrealistic and likely to have the effect of further strengthening support for Mr. Smith in Rhodesia. But there are better pointers. The validity of Rhodesia's interpretation of the constitutional position within the Commonwealth is beginning to get some academic support. Dame Margery Perham, in an extremely careful BBC talk, reprinted in the Listener, has commented that "in the eighteen-thirties the humanitarians, who were fresh from their victories over slavery and the slave trade, turned their attention to the frontiers of empire where their countrymen were everywhere advancing at the expense of the natives. And they laid down that no representative body composed of settlers ought to control native affairs, since, they said, 'the legislature was virtually a party'. And this is the principal which, after 130 years, Mr. Wilson is trying to revive." Mr. Wilson has not, therefore, been acting, as he claimed, in accordance with the correct constitutional procedures of the 20th century Commonwealth, but attempting to go back to a theory put forward in the early nineteenth century, and subsequently rejected for 100 years. To do so was, I suggested last December, to go clean contrary to the whole constitutional theory of the Commonwealth, as set out in the conclusions of the Commonwealth Conference of 1926, given legislative effect in the Statute of Westminster, and observed without question for 35 years. If we can get clear in our own minds that the Rhodesian conflict is a political one, that the issue is whether Britain is or is not prepared to stand up to pressure from African states within the Commonwealth, and that it will ultimately be decided by a decision as to the balance, not

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of advantage any longer (it is too late for that), but of degree of disadvantage (political, economic and financial), we may see the future a little more clearly. There is, for many, in the 1960's as in the 1830's, and on both sides, a moral issue, but the so-called constitutional issue has from the beginning been tinged with hypocrisy and would be better out of the way.

So to the hints which have been given, in London and in Salisbury, as to the degree of agreement so far reached in the official talks which are soon to be resumed. A very useful analysis, in the Star of 20th June, of Command Paper 2807, the official British record of the pre-U.D.I. negotiations, showed how close Britain and Rhodesia had come to agreement and indirectly suggested bases for negotiation now.

- (1) On Mr. Wilson's first principle - "unimpeded progress to majority rule," the Rhodesians agreed to entrenchment of the B roll seat clauses of the 1961 Constitution provided that for every A roll seat won by a non-European, a B roll seat would be abolished. The British countered with a proposal that two A roll seats would have to be won before one B roll seat was given up. The gap had narrowed.
- (2) On the second principle of no retrogressive amendment of the constitution, the British rejected the Rhodesian proposal for a House of Chiefs whose 12 members would have voted with Parliament on amending bills (with the 15 B roll seats these would have been a blocking African third). But the Rhodesians said that they would consider a British proposal that a $\frac{2}{3}$ majority should be required, provided 2 more B roll seats were added to make a blocking quarter. The Rhodesians wanted these 2 seats filled by chiefs, the British by election on the B roll. The area of divergence was very narrow.
- (3) The third and fourth principles (immediate improvement in the political status of the Africans and progress towards ending racial discrimination) appear to have presented no special problems.
- (4) On the fifth principle - acceptability of the settlement to the people of Rhodesia as a whole - both sides agreed that a Royal Commission should devise a means of testing public opinion but they did not agree on what proposals to put to the Commission.
- (5) Mr. Wilson later (in January) added a sixth principle that there should be no oppression of majority by minority or minority by majority.

The British government also, later, refused to deal with Mr. Smith's 'illegal regime'. It has become fairly clear that Britain will deal with Mr. Smith, that the illegality issue will be swept under the rug, and that there is no intention of insisting on the declaration of independence being rescinded. Probably neither Sir Humphrey Gibbs nor Mr. Dupont would wish to be an obstacle to an

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agreement, and Mr. Smith's government has, in fact, been recognised by the Courts in Rhodesia to be the de facto government, and, by receiving representations from the British government on behalf of the arrested lecturers at the University of Rhodesia has, according to Mr. Sandys, even been recognised, de facto, by the British government itself.

My guess is that some alternative to the Royal Commission as a means of testing opinion will have to be found, but I confess that I have so far been unable to think of any which would possess sufficient advantages to indicate that it might be accepted.

Mr. Smith has, however, made two significant remarks: that "he believed officials would find the problem was not so formidable once they stop 'talking about talking, and get on with talking'", and the other that while the idea of solving the independence issue in three weeks is wishful thinking, it might be done in a "couple of months", i.e. perhaps by some date in September, prior to the meeting of the United Nations Assembly. In this connection Mr. Wilson, for his part, made two significant remarks early in July: "any agreement on the constitutional future of Rhodesia must win acceptance for Rhodesia in international society" and "he did not think anyone could devise a constitution for Rhodesia that would be acceptable to all the 100 members of the United Nations." The two remarks would seem to imply, firstly, that Rhodesia is to be independent, and secondly, that Mr. Wilson is prepared for opposition in the U.N. to any agreement which may be reached.

Rhodesia has indeed moved a long way towards independence between the beginning of June and the end of July.