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9. ABSTRACT			
<p>This paper is on U.S. foreign policy choices with respect to Zimbabwe. Part I gives the primary issues, analysis, and background data. Supplementary data are contained in the appendices. Part II deals with Zimbabwe. It identifies policy alternatives and recommends courses of action. It also discusses the vested interests and likely foreign policy actions of key third countries, such as South Africa, Britain, Zambia, Mozambique, China, and the Soviet Union. The thesis of this paper is that U.S. short-term and long-term interests have already merged. Therefore the usual dichotomy in foreign policy analysis between long and short-term interests is not employed in this analysis. It considers these interests: the U.S. interest in preserving friendly ties with African countries; the U.S. interest in preserving U.S. and Western influence in southern Africa; the U.S. interest in denying such influence and ties to the Soviets as well as to the Chinese; and the U.S. interest in preserving its access to the raw materials of southern Africa. It would seem to be beneficial for U.S. foreign policy interests if the objective of assistance were to help Zimbabwe to develop a substantial economic position in the region with a viable economy for all of its people. The premise for U.S. assistance programs of a U.S. foreign economic policy should be that the firmest base for friendly, satisfying, and mutually helpful relationships between Zimbabwe and the U.S. rests in country along the course freely chosen by the majority of the Zimbabwean people.</p>			
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WHITE, FINE & VERVILLE  
ATTORNEYS AT LAW

PHIL DAVID FINE  
LEE C WHITE  
RICHARD E VERVILLE  
ROBERT J. SANER II  
GOLER TEAL BUTCHER  
THOMAS L. BLACKBURN  
PETER VAN\*  
RALPH J. FINE\*  
ROBERT F. SYLVIA  
ARNOLD M. ZAFF  
ROBERT L. CAPORALE\*  
GENE A. BLUMENREICH  
ANNA M. DIGENIO\*

\*ADMITTED TO MASS. BAR ONLY

1156 Fifteenth Street, N. W.  
Washington, D. C. 20005

(202) 659-2900

CABLE ADDRESS WHITEACRE WASHINGTON, D C

FINE & AMBROGNE  
133 FEDERAL STREET  
BOSTON, MASSACHUSETTS 02110  
(617) 482-0100

MANUEL B HILLER, OF COUNSEL

OCCASIONAL PAPER NO. 2

FINAL REPORT

U.S. POLICY CHOICES  
IN ZIMBABWE

by

Goler T. Butcher, Esq.

January 20, 1977  
Subcontract AID/afr-C-1254 for African-  
American Scholars Council, Inc.  
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Development



NOTE:

The papers submitted to the Southern Africa Project by Goler T. Butcher Esq. were originally divided into six parts. These parts are:

PART I : BACKGROUND ANALYSES AND RELEVANT  
FACTS  
PART II : ZIMBABWE  
PART III : NAMIBIA  
PART IV : CONCLUSION  
PART V : APPENDICES  
APPENDIX I: UDI AND THE IMPACT OF SANCTIONS

The placement of these parts within this compilation of consultant's final reports is thus:

PARTS I, II, and APPENDIX I are located in the first part of the compilation (PART I - ZIMBABWE) under #2 BUTCHER PAPER, Policy Choices

PARTS III, IV, and V are located in the second part of the compilation (PART II - NAMIBIA) under #1 BUTCHER PAPER, Policy Choices

**PART I**

**Background Analyses and Relevant Facts**

- APPENDIX A - Soviet Aid in Africa
- APPENDIX B - Chinese Aid in Africa
- APPENDIX C - Soviet and Chinese Assistance to Liberation Movements of Zimbabwe
- APPENDIX D - Overview of Communist Economic and Military Aid: Worldwide, To LDC's and to Africa
- APPENDIX E - Aid Donors to Lusophone States Upon Independence
- APPENDIX F - Implications for Zimbabwe and Namibia of Aid Donors to Lusophone States Upon Independence
- APPENDIX G - Foreign Investment and Capital Flows:  
Analysis of Relevant Examples: Angola
- APPENDIX H - Foreign Investment and Capital Flows:  
Analysis of Relevant Examples: Mozambique

Two papers have been requested on U.S. policy choices in Southern Africa. One paper deals with Zimbabwe and the other with Namibia. Principal consideration will be given to broad State Department and AID administrative policy. In these papers particular emphasis will be given to the identification of policy alternatives and recommendations for courses of action; and, some discussion of the vested interests, and likely foreign policy actions of key third countries; namely, South Africa, Britain, Zambia, Mozambique, China and the Soviet Union.

This paper addresses U.S. foreign policy choices with respect to Namibia.

It should be noted that the background analysis of certain issues is the same for both studies. Part I deals with the primary issues, analysis, and background factual data. Supplementary data are contained in the Appendices.\*/  
Part II deals with Zimbabwe and Part III with Namibia.  
Part IV is a brief statement of conclusion.

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\*/ Appendices: UDI And The Impact of Sanctions  
AID Donors To Lusophone States Upon Independence  
International Aid to Zimbabwe

## INTRODUCTORY CONSIDERATIONS

This paper precedes on the thesis that the requested discussion on U.S. policy choices is to be confined to choices pertinent to a determination of U.S. aid policy towards Zimbabwe and Namibia. 1/

Foreign policy analysis as any other analysis of logical merit or practical utility can only be based on all the relevant facts. At the same time, the delineation of constructive assistance programs for Zimbabwe and Namibia -- the task of this project 2/ -- is dependent on the foreign policy facts. At the same time such a program has foreign policy implications. Thus, there is a reciprocal relationship involved. But in the first place, the facts should be presented. On the other hand, in the absence of reliable guidelines on the envisaged and projected, U.S. foreign economic policy towards Zimbabwe and Namibia, as well as on other aspects of foreign policy, it would appear that this project can only provide options for action - options dependent on the projected policy choices. This paper on foreign policy choices is similarly constrained; for analogously, a paper on U.S. foreign policy choices can only (1) examine the facts, here on Zimbabwe and Namibia; and, (2) call attention to the problems which, by reason of those facts,

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1/ "Zimbabwe" is used throughout to indicate an independent Zimbabwe, whereas the terms "Southern Rhodesia" or "Rhodesia" are used to refer to the country under the illegal regime.

2/ Pursuant to AID contract No. AID/afr-C-1254

might arise out of certain types of assistance programs or U. S. policy initiatives.

Another constraint must also be noted. Not only is this unknown foreign policy a decisive factor, but inasmuch as this is not an academic exercise all options cannot be considered valid. The U. S. government has already gone on record to provide substantial economic support for Namibia and Zimbabwe, and a program of certain minority guarantees for Zimbabwe, should the structure of independence develop consistently with the Anglo-American plan. Therefore a paper on foreign policy, in order to be useful, must focus on the foreign policy implications of the projected program as limited by these and other current developments, both domestic and international. Thus, it may be that a thorough appraisal of foreign policy implications of a massive U. S. assistance program will enable new and old policy-makers to reconsider such programs. These programs should not be considered in terms of short-range goals, but in terms of real interests, that is, the economic and political realities existing in Zimbabwe, Namibia, and South Africa on the one hand, and a realistic reevaluation of the optimum course for achieving such U. S. interests on the other.

### U. S. Interests

It is fashionable to divide consideration of U. S. interests in Africa into short-term versus long-term interests. Short term interests refer to concrete interests in a realpolitik sense--economic, strategic, and political interests, and to the region in the present time frame. Long-term interests refer sometimes both to interests in a human rights sense, that is, majority rule, self-determination, human dignity, and to a future indeterminate time when the black majority becomes ascendant.

Although such a dichotomy has its utility, its intrinsic difficulty as a basis for policy development was certainly exposed in the case of the Portuguese territories of Angola and Mozambique. With respect to Rhodesia, there is always the temptation to try to cast the framework of majority rule (its inevitability and immediacy having been made clear) so as to provide immediate protection for these concrete interests.

Such an effort was attempted in Angola without success. This indicates the frailty of any approach keyed to "short-term interests." Present U. S. policy towards Rhodesia

and Namibia indicates an active effort to preserve concrete interests by seizing the direction of events. A premise of such a policy must be that the United States, directly or through its allies can direct events sufficiently to protect its hard interests without giving any real concern to human rights, the so-called "soft interests." It is true that this has been done with some success in certain countries, but such a course is perilous. As the African states have over time rejected Soviet influence, notwithstanding the amount or significance of the aid given, for example Nigeria in fighting its civil war. Increasingly, even our closest African friends are defining their own interests with a growing distinction between those of the East and the West. Thus, reliance on the long-term and short-term dichotomy would prove misleading and unnecessarily costly.

But the greater meaning of Angola and Mozambique, Zimbabwe, and Namibia, with respect to such a clarification of interests, is not only that the coincidence of the short term with the long term can occur quite suddenly, as with the Portuguese coup, but that these timeframes themselves do overlap.

The thesis of this paper is with respect to Zimbabwe, that U. S. short-term and long-term interests have already

merged. With respect to Namibia and the whole of southern Africa these two now overlap. At any rate, such thinking is murky, and not dispositive of helpful analysis, and is misleading.

Therefore the usual dichotomy in foreign policy analysis between long and short-term interests is not employed in this analysis. Its intrinsically fallacious nature renders it perilous for AID policy making. Such analysis is founded on two principles: first, on the inherent definition of short-term as that with which we need to be presently concerned, and long-term as those interests with which we may in the future have to contend; and, secondly, on an argument that concrete interests, that is economic and strategic interests, are short-term. Human rights and moral issues are long-term.

First, concrete issues are full term, that is both short and long term. The only real short-term interests, for instance, would exist where the U. S. need for a particular commodity, or for a particular strategic support, would terminate within a short period. Secondly, the fact that human rights and moral issues seldom provide the catalyst for policy making may be the reason for their usual classification as long-term. But they are long-term only in the sense that, until the vindication of the

human rights issue becomes an almost achieved certainty so that there is a coincidence of the short and long-term interests, there is no vital U. S. interest threatened.

Finally, economic aid is sufficiently long-term in its search for reciprocal benefits so that it should not reasonably be tied to "short term" interests as this phrase is generally used.

For all of these reasons, this paper while considering all U. S. interests as being on the same plane, deals primarily with a consideration of concrete interests, namely:

- the U. S. interest in preserving friendly ties with African countries;
- the U. S. interest in preserving the U. S. and Western influence in southern Africa;
- the U. S. interest in denying such influence and ties to the Soviets as well as to the Chinese;
- and, the U. S. interest in preserving its access to the raw materials of southern Africa.

Raw Materials: Africa has vast quantities of many raw materials vital to U. S. economic and security interests. These minerals include copper, uranium, manganese, zinc, iron ore, tin, diamonds, chrome, gold and bauxite. U. S.

dependence on Africa is indicated because, in fact, the U. S. imports from Africa 43% of its antimony, 38% of its chromite, 72% of its cobalt, 14% of its copper, 51% of its manganese, 28% of its platinum, 85% of its Uranium Oxide, as well as 56% of its cocoa and 29% of its coffee. U. S. dependence on Africa is underscored, either by the fact that certain of these minerals are necessary minerals for our technological processes, or because there are no substitutes and the cost of such substitution is prohibitive.

Energy: African energy and power are of crucial importance. Africa is a major supplier of crude oil to the United States. Nigeria is now our largest external supplier of crude oil which accounts for 25% of such imports. Seven African countries - Libya, Nigeria, Algeria, Egypt, Cabinda, Angola and Tunisia are self sufficient in oil. Their production represents 12% of the total world output. Additionally, Zaire has a future oil production capacity. Africa as a whole has 10% of the known world resources of petroleum. Africa has the world's largest hydroelectric capacity. Other than Algeria, from which we are already importing natural gas, Africa's gas resources remain largely untapped.

U. S. Trade with Africa: Trade with Africa is both of increasing importance and is assuming increasing overall importance. Our exports to Africa have increased more than 600%. In 1962, exports increased from 777.5 million dollars to 4.9 billion in 1975. Our imports from Africa have increased in that same period more than 1100% from 726.6 million dollars in 1962 to 8.3 billion in 1975. The increasing overall importance of trade with Africa is indicated by the following statistics: All U. S. exports to the world only increased by 10.8%. Between the first nine months of 1974 and the same period in 1975, U. S. exports to Africa increased 41.6% in this period, a percentage increase nearly 4 times as great. Further, while U. S. import trade world wide dropped by 2.9% that with Africa increased by 27.5%.

U. S. investment in Africa is approximately \$5 billion. U. S. investment in the rest of Africa is 3 times that in South Africa. Trade with black Africa accounts for twice as much trade with the U. S. as does South Africa.

Africa's geographic position makes it strategically important, although the extent of that importance is a matter of great controversy with the Navy and its proponents who state it as being higher in importance to others. The

following are the defense considerations used: tensions in the Middle East; incipient rivalry between the U.S. and the Soviet Union and the Indian Ocean; the need for routes around Africa for the large oil tankers supplying the U.S. and Europe; interests in monitoring Soviet submarine activity in the Atlantic and Indian Ocean; over flight rights in refueling facilities for U.S. aircraft on the continent; refueling and docking facilities for U.S. naval vessels in the coastal countries; ability to maintain communication facilities; access to strategically important minerals; as well as the U.S. interest in the denial of these items to the Soviet Union.

Political Interests: Africa has almost a third billion people and almost 50 states. Its strategic location, its endowment with vital raw materials and growing trade and investment significance insures its political interest to the United States. The expression of this interest is in direct correlation to the expression of interest by the Soviet Union as Angola and subsequent events have demonstrated. Political interest in Africa also arises out of a need to win support of African states for U. S. positions in international forums, not only at the United Nations, but at conferences dealing with commercial and other issues of importance to the United States.

Domestic Reasons: The growing interest of the 25 black Americans of African descent in African issues and specifically in U. S. policy towards Africa is presenting an increasingly important domestic component on U. S. policy towards majority rule. This was underscored by the recent African-American Leadership Conference on Africa and the "African-American manifesto on Southern Africa" issued by that meeting.<sup>1/</sup>

The connection between aid and the implementation of U. S. interests is, of course, revealed in a study of U. S. aid policy in Africa over the past decade and a half.

From the Kissinger proposal it appears that aid may be used as an inducement to achieve a settlement, and as a lever of influence in the newly independent states. As an inducement to bringing about the settlement it is impossible not to be reminded of earlier proposals for Southeast Asia.

A study of the possible relevance as well as of the final outcome of these proposals might be informative. The big difference here, whatever the worth of the argument that the main impetus of North Vietnam was nationalism not communism, is that the government of North Vietnam was a communist one and neither the Zimbabwean Liberation

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<sup>1/</sup> Paragraph 6 rejects the concept of "minority rights" and questions any large scale subsidy of "Minority Rights" for Rhodesian Whites.

movements nor SWAPO are communist.

As a lever of influence in the newly independent states, the basis of this influence is economic, but its effect is political and economic. If South Africa participates in this aid and it is geared towards maintaining the economic growth of the region and continued satisfaction for whites, and is a substantial part of the economic plan of the new state, it will yield real economic leverage against an independent Zimbabwe or Namibia.

No foreign policy approach to a U. S. assistance program to Zimbabwe or Namibia can proceed from an objective inquiry into "how the present economic growth might continue, providing continued satisfaction for whites while addressing problems of equity which must be met so that corresponding benefits for blacks occur." For this is in truth "putting the cart before the horse." The foreign policy question must revolve around

- what are our foreign policy interests;
- what are the facts, particularly the economic facts relevant to (1) the internal situation;  
(2) the implications of an assistance program; and  
(3) a positive or negative pay-off for U. S. interests.

A review of the gross economic inequities in Namibia and Zimbabwe raises a serious doubt as to whether the goals

of "addressing problems of equity" and providing continued satisfaction to the whites are mutually consistent. Such a review also suggests that the decision on which one is to concentrate must depend on which foreign policy choice is made, that is whether to make the satisfaction of the minority a basic objective or to put forward programs unshackled by racial considerations.

The overriding fact from the perspective of this study is that the U. S. interests with respect to minority ruled Africa, notwithstanding substantial U. S. investment, trade and raw materials in the region, is demonstrably subordinate to U. S. interests in Black Africa. This was true before the Portuguese Coup. The independence of Angola and Mozambique further unbalanced any equation between our interests in majority versus minority ruled Africa. The impending independence of Zimbabwe underscores this, as does that of Namibia. When the eruptions inside South Africa are factored into this equation, it becomes clear that any valid policy of protecting U. S. interests in Africa, either in whole, or in part in Southern Africa, must be geared towards the majority not the minority in Southern Africa.

U. S. objectives in the region were defined in NSSM 39 without priority arrangement as:

- to improve the U. S. standing in black Africa and internationally on the racial issue.
- to minimize the likelihood of escalation of violence in the area and the risk of U. S. involvement.
- to minimize the opportunities for the USSR and communist China to exploit the racial issue in the region for propaganda advantage and to gain political influence with black governments and liberation movements,
- to encourage moderation of the current rigid racial and colonial policies of the white regimes,
- to protect the economic, scientific and strategic interest and opportunities in the region, including the orderly marketing of South Africa's gold production.

It was acknowledged in NSSM 39 both that the objectives are to a degree contradictory and that the relative priorities differ according to perception of the problems in the area and of U. S. interests there.

Since 1969, the date of NSSM 39, the facts of Southern Africa have changed with the consequent effect on U. S. objectives of necessitating a restating of the objectives and reordering of priorities. Priorities still differ in

accordance with the particular perception of the problems and interest in the area as well as different perceptions both of what the future may hold and the particular interests time frame that is used.

The basic economic facts are not different; for the U. S. is in increasing need of the raw materials from developing countries of Africa especially for Nigerian oil and from the region itself. Another lesser economic fact, but of relevance to the Rhodesian situation, is that the U. S. economic position with respect to the need for importing Rhodesian chrome has changed, as has the Rhodesian capability of processing of chrome into ferro-chrome.

The political facts have changed. The basic political fact or premise of NSSM 39 was that the whites were here to stay. The Portuguese coup and consequent collapse of Portuguese colonialism reveals the falsity of that premise. There are now two independent countries in the area, Angola and Mozambique. This has caused a whole restructuring of the security situation with respect to the other minority regimes.

Even the perception of our strategic interests may become somewhat more vocal with respect to the alleged threat in the Indian Ocean, and the thesis propounded,

particularly by naval interests of the "importance" of the Cape Sea Lanes.

There has been significant progress of the Liberation movement in Zimbabwe with the present prediction of a high administration official that Rhodesia will fall anywhere from six to eighteen months.

Namibia is no longer comfortably on the back burner. The position of Africa and that of the so-called Third World is now different. Africa has a majority in the U.N. The Third World, as a result of the oil crisis, has become a factor in the international arena.

Even in South Africa itself the situation has changed with the beginning of internal uprisings on June 16 in Soweto. These have been fairly continuous. It appears to be clear that the administration places the highest priority on the objective of removing the opportunity for the USSR and the Cubans (a new factor) not so much from exploiting the racial issue in the region, but from actually intervening in the conflict in Zimbabwe and of preventing the consequent loss of U. S. and Western influence in that area and the concomitant gain of Soviet influence.

U. S. objectives in the region with respect to the independent majority ruled states may reasonably be said to be: (1) stability; (2) the continuing economic health

of the region; (3) the prevention of outside help or intervention, however, it is named, from the Soviet bloc, or their surrogates; (4) the continued access of the U. S. to the mineral resources of the area; (5) the protection of U. S. investment and business interests.

The basic statutory statement of policy is: "The Congress declares that the freedom, security, and prosperity of the United States are best sustained in a community of free, secure and prospering nation." In particular, the Congress recognizes the threat to world peace posed by aggression and subversion where ever they occur. . . The Congress declares therefore that it is not only expressive of our sense of freedom, justice and compassion, but also important to our national security that the United States, through private as well as public efforts, assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development . . .

It is also to be noted that Congress states that "the first objects of assistance shall be to support the efforts of less developed countries to meet the fundamental needs of their peoples."

Another preambular paragraph in the Foreign Assistance Act is of particular note:

United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

Another section of the FAA is of interest. Section 502B on Human Rights reads as follows:

it is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights . . .

Paragraph (b) provides that whenever the President proposes or furnishes security assistance to any government falling within the provisions of paragraph (a) the President shall advise the Congress of the extraordinary circumstances necessitating the assistance. It should be noted that paragraph (d) of this section further provides that for the purposes of this section, security assistance includes sales under the Foreign Military Sales Act or assistance for public safety.

Title IX "Utilization of Democratic Institutions and Development is also apropos. This section states that

emphasis shall be placed on assuring maximum participation in the task of economic development on the part of the people of the developing countries through the encouraging of democratic private and local governmental institutions. This also endorses support for civic education and training and skills required for effective participation in governmental and political processes essential to self government.

Another germane provision is section 619 "Assistance to Newly Independent Countries", a provision which states that assistance under Part 1 (Economic Assistance) to newly independent countries, shall, to the maximum extent appropriate under the circumstances of each case, be furnished through multilateral organizations or in accordance with multilateral plans on a fair and equitable basis with due regard to self-help.

Pre-Majority Rule U. S. Aid to Southern Africa

The Agency for International Development in its Fiscal Year 1977, Submission to the Congress (Security Supporting Assistance, Zaire - Zambia - Southern Africa), June, 1976, gives as the stated objectives of U. S. Assistance: " . . . to support self-determination, majority rule, equal rights and human international law and world peace." (p. 33).

The report cites the economic dislocations which have taken place in Zaire and Zambia as a result of the sharp decline in prices and world demand for copper coupled with the effects of world-wide inflation and recession. These countries have also been troubled by the closure of the Benguela railroad across Angola. Alternate routes across Tanzania and Zaire are most costly and are already clogged with goods awaiting transport.

For Namibia and Zimbabwe, the publication suggests that it is not inconceivable that the countries would become

independent in FY 1977. For Namibia this would mean, according to AID, a different relationship with South Africa (which is not defined). The report states that:

- U. S. support at between 5 and 15 million dollars would be possible; (p. 34)
- requirements for the transition of Zimbabwe would be in the area of human resource development, maintenance of public services and quite possible balance of payments support: (p. 34)
- AID estimates that an appropriate level of U. S. support in a multi-donor context would be in the \$10-25 million project range;
- additional funds are suggested for refugees in the \$5 million range;
- for training \$5 million is suggested to meet regional education requirements including the expansion of the program of accelerated and vocational training associated with majority rule for Zimbabwe and Namibia.

The Grant Activity Data Summary for proposed 'Development Training for Southern Africans' is:

U. S. Technicians	\$ 500,000
Participants	2,225,000
Other Costs	<u>1,275,000</u>
Total	\$4,000,000

In 1976, an AID training project was authorized in the amount of \$2,743,690. The project included:

- support for post-secondary academic training for national and exiles from Zimbabwe, Namibia and exiles from the Republic of South Africa in the United States;
- support for similar training opportunities in Africa;
- support for a range of leadership training activities for nationals of the Republic of South Africa in the United States.

The FY 1977 program which would extend projects into 1978 and would include 50 students from Namibia and Zimbabwe undertaking academic training in the U. S. and continued support of 50 students already in the U. S., plus expansion of leadership programs to accommodate an additional 50 students.

The costs of the program are \$1,725,000 to initiate a broad range of vocational training programs in the region to be sponsored by countries in the region and open to all nationals and exiles of all countries in the region.

AID expects health training to be centered in Tanzania utilizing facilities and programs supported by AID. Railway maintenance and operations training would be

focused in Malawi. Agriculture extension and equipment maintenance and operation work would be planned in Zambia, and highway technical assistance activities would be designed in Botswana. AID funds would be used to support technical costs, some supervisory expenses of training, maintenance costs for exile participants and modest capital expansion. The costs for the initial phase would be \$2,000,000.

The FY 1977 Program involves a project to identify additional opportunities for education and training programs in the region--specifically in Zimbabwe and Namibia following majority rule, including actions to enhance the U. S. Government's response capacity at the moment of transition. Types of training, institutions, methodology and curriculum should be identified. The cost is \$275,000.

A survey of U. S. aid to Africa in the period 1946 through 1975 reveals that total U. S. economic and military assistance to Africa in that period was \$6 billion (\$6,120.4 million), with \$4,531.3 million going in the form of economic assistance and a little more than a half billion in military assistance. A further breakdown shows that a little more than one half of the economic assistance was in grant aid. \$3,507.3 million, and \$2,023.8 million were given as loans. The proportion of grant military assistance was greater (\$4.3 million in grant assistance and 175.7 as loans for military assistance). It should also be noted that more than a billion dollars was given as bank loans.

Of this aid, the following amounts went to majority ruled countries in Southern Africa:

-- Botswana - \$37 1/2 million in economic assistance, with all except \$100,000 of this in grant aid;

- Lesotho - \$23.1 million in economic assistance;
- Malawai - \$31 million in economic assistance with all but a little under a million going as grant aid;
- Tanzania - \$134.6 million in economic assistance, with \$36.1 million in loans and 98.5 million in grant aid;
- Zambia - \$34 million in economic assistance with (and this is worthy of note), only \$6.6 million in grants, the great bulk or \$27.4 million being in loans. Zambia, unlike the others, did receive loans of some \$64.8 million. It should be further noted that the economic assistance to Zambia took place primarily under the Mutual Security Act, that is, before 1962. After this date, little less than \$7 million went to Zambia, that is, over the past 14 years Zambia has received very little U. S. aid.

U. S. aid to the Southern Africa region totalled \$61.4 million, with \$45.1 million of that in loans. In no case with respect to Southern Africa was there military assistance.

Additionally, if we look at newly independent countries we find that

- Angola received no aid, and no recognition;
- The Cape Verde Islands received a total of \$4.1 million in economic assistance with \$3 million of that amount being in loans;
- Guinea Bissau received \$1 million in grant aid.

Two conclusions could be drawn from this:

- U. S. aid to the majority ruled countries of Southern Africa has not been a priority policy objective;
- U. S. aid to other newly independent countries who have achieved their independence as a result of the Portuguese Coup has not been a priority matter.

Further, a comparison with U. S. aid to Africa either over the whole period from 1946 to 1975 indicates that U. S. aid to Africa has not been a primary policy objective.

Similarly, it will be instructive to look at the picture of international aid to Africa in this period.

#### International Aid to Zimbabwe

The total assistance to all of Africa including North Africa from international organizations (IBRD, IFC, IDA, AFDB, UNDP, other UN bodies and the EEC)\* for the period 1946-1975 was \$9.8 billion. (See attached chart

in Appendix D ). This also includes \$88 million to Southern Rhodesia prior to 1965. The larger sums to a single country for the entire period is \$582.6 million to Zaire, \$785.3 million to Nigeria, \$564 million to Zambia.

\* Source: U. S. Overseas Loans and Grants and Assistance From International Organizations

Obligations and Loan Authorizations - July 1, 1945 - June 30, 1975

Data includes assistance from major international organizations.

World Bank Group

1. International Bank for Reconstruction and Development (BRD) - loan authorizations to governments, government enterprises or private firms with government guarantee.
2. International Development Association (IDA) - value of agreements with governments for development credits.
3. International Finance Corporation (IFC) - commitments made by IFC to invest in private enterprises in various countries.

Other International Organizations:

1. African Development Bank (AFDB) - loans
2. United Nations Development Program (UNDP) - figures combine the Special Fund and Technical Assistance and the Expanded Program of Technical Assistance. Data include costs for pre-investment surveys.
3. Other United Nations Programs (Other UN) - data include allocations for projects and administrative and operational services financed from government contributions and other sources by UNICEF for the last 11 years (from 1975). Also included are data from the Regular and other programs of technical assistance by UN specialized agencies (UNTA). However, data for these were not available for the past 11 years.
4. European Economic Community (EEC) - data include obligations under the first, second and third European Development Funds and Loans made by the European Investment Bank (EIB) for developing countries.

Implications for Zimbabwe and Namibia of Aid Donors to Lusophone States Upon Independence

The survey of aid extended to lusophone Africa upon independence (See Appendix II) indicates that the world has responded to the plight of newly independent nations. With world attention focused on the process of change in Southern Africa, and with so many concerned countries, perhaps even a more generous response might be anticipated. Aid of all types has been extended: humanitarian aid in the form of food and medicine administered by apolitical organizations; agreements to purchase the country's exports; outright grants of money; tied aid; technicians; easy credit for the country's purchase of imports; training and educational assistance (also military aid, but this tends not to be as well publicized). The same could be expected for Zimbabwe and Namibia.

The mass exodus of the Portuguese from Mozambique, Angola and Guinea-Bissau caused an acute shortage of qualified personnel to administer the aid donated. These governments are also reluctant to accept foreigners to administer these programs. Therefore, the most effective aid that can be offered, and the kind of aid the new governments are most anxious to receive is well-tailored, specific programs which involve little local administration. This would apply to a new Zimbabwe, although the degree of white flight may affect this. The interrelationship of the Namibian and

South African economies makes prophecy more difficult.

These newly independent nations are not anxious to come under the influence of any other country; they probably prefer aid extended by international agencies or by a consortium of nations. Here, the ongoing nature of the Namibian situation makes internationalization of aid more necessary.

Admittedly, the aid given by the Metropole for the lusophone territories does not seem large considering the historical involvement of Portugal with Angola, Mozambique, and Guinea-Bissau. (That no references of Portugese aid to Angola were found does not mean there was none.) Mozambique seems to have received the most assistance from the metropole. Other agreements such as who assumes that debt and who will inherit which foreign exchange reserves, etc. can have a much greater impact on the economy of a young government than grants of aid. How the transfer of power is actually implemented in all its aspects is more important. The unique relationship between Rhodesia and the UK limits the value of comparison with metropole behavior toward a former colony upon independence. Generally, one expects an increase in interactions between the UK and a new Zimbabwe; the opposite is usually the case. The United States has apparently been willing to respond quickly with a bilateral humanitarian

aid (witness the three different shipments of food grain to Mozambique) and contributions to international organizations like the Red Cross and the UN even if the U.S. is politically opposed to the new regime. General bilateral economic aid is not readily forthcoming, possibly because of the need for Congressional approval in most cases. Congress approved a bill in September which extended \$4 million in technical aid to Mozambique, as well as more generous sums to Zambia (\$20 million). It is also reported that the Administration will divert another \$10 million in economic aid to Mozambique from an earlier foreign aid allotment. Presumably, this has relevance to the U.S. undertaking to provide assistance to Rhodesia's African neighbors who are suffering economically from the sanctions, particularly Mozambique. Still more U.S. aid in one form or another might be expected for Mozambique as our relations gradually improve. Rhodesian chrome exports to the U.S., which were held up in Beira for quite some time, have been released; the U.S. missionary, Armand Doll has been released; U.S. investments in Mozambique, though certainly not encouraged yet, have not been ruled out. The international community is capable and willing to respond very generously to fledgling nations. Most notable donors are the UN agencies and the Red Cross. This is perhaps the most trusted form of aid, from the recipient's point of view. Again, the international

community could be expected to respond equally well in  
Zimbabwe.

**APPENDIX**

**INTERNATIONAL AID TO ZIMBABWE**

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS  
(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - TOTAL</b> .....	--	150.9	809.3	1,061.0	531.4	400.2	369.0	528.4	554.9	777.2	743.2	925.9	1,410.3	1,490.2	9,306.9
<b>GREEN</b>	--	156.5	644.2	324.6	137.5	96.2	59.4	257.9	278.5	347.7	239.0	320.4	721.9	711.8	4,251.5
-- IGRD .....															108.1
-- IFC .....			2.1	15.4	4.0	7.0	29.0	9.9	14.9	1.1	6.3	11.0	4.6	4.7	1,679.5
<b>RED</b>			12.4	102.8	28.4	86.3	73.6	76.6	134.1	121.5	233.6	256.2	379.5	397.2	319.7
-- IDA .....							5.3	0.1	14.6	18.9	22.1	27.8	71.3	163.5	319.7
-- AIDB .....		0.4	44.5	170.0	65.1	69.4	69.1	69.9	59.7	98.1	55.5	52.6	70.6	73.8	918.0
-- UNCP .....			12.0	55.1	15.2	7.9	9.7	8.8	10.6	17.5	12.8	16.1	13.7	15.4	195.0
-- Other UN .....			174.1	393.1	260.2	141.4	122.9	165.2	42.3	172.9	173.9	241.8	153.3	135.7	2,720.3
-- EEC .....															
<b>Algeria</b> .....	--	--	77.7	31.2	12.5	1.1	3.9	4.8	5.2	7.6	6.6	26.7	162.4	*	342.6
-- IGRD .....			60.0	20.5	--	--	--	--	--	--	--	24.5	157.5	--	262.5
-- AIDB .....			*	6.1	7.0	3.2	4.2	4.6	4.5	3.0	3.0	--	2.4	--	6.4
-- UNDP .....			--	1.9	0.6	0.4	0.7	0.6	0.6	0.1	0.3	--	2.4	--	7.6
-- Other UN .....			17.7	2.7	4.9	--	--	--	--	--	--	--	--	--	25.3
-- EEC .....															
<b>Angola</b> .....	--	--	--	--	--	--	--	--	--	--	--	--	--	0.1	0.1
-- Other UN .....			--	--	--	--	--	--	--	--	--	--	--	0.1	0.1
<b>Benin (formerly Dahomey)</b> .....	--	--	5.7	15.6	12.5	10.5	2.9	6.7	0.7	8.7	17.2	7.5	16.0	11.0	115.8
-- IDA .....			--	--	--	--	--	4.6	--	3.5	6.1	--	12.4	--	26.6
-- AIDB .....			*	0.9	3.0	0.9	0.8	0.3	0.2	0.3	0.5	0.3	1.8	7.5	9.6
-- UNDP .....			--	0.7	0.2	0.2	0.2	0.1	0.1	0.1	0.2	--	1.5	1.7	10.6
-- Other UN .....			5.7	14.0	9.3	9.6	1.9	1.7	0.4	4.8	10.4	6.7	0.8	1.8	67.1
-- EEC .....															
<b>Botswana</b> .....	--	--	*	3.7	0.2	1.2	0.8	0.6	2.3	35.3	4.5	2.0	15.5	11.0	77.3
-- IGRD .....			--	--	--	--	--	--	--	32.0	--	--	9.5	--	41.5
-- IDA .....			--	3.6	--	--	--	--	1.6	3.0	3.6	--	3.0	--	14.2
-- AIDB .....			--	--	--	--	--	--	--	--	--	--	2.2	9.9	12.1
-- UNDP .....			--	0.1	0.1	1.2	0.7	0.6	0.7	0.3	0.7	1.5	0.8	1.1	7.9
-- Other UN .....			--	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5	--	--	1.0
-- EEC .....															
<b>Burundi</b> .....	--	--	6.0	7.5	5.5	10.8	2.6	7.5	3.1	11.2	4.0	15.3	8.5	12.3	94.2
-- IGRD .....			4.8	--	--	--	--	--	--	--	--	--	--	--	4.3
-- AIDB .....			--	--	--	--	--	--	--	--	--	--	--	5.0	5.6
-- IDA .....			--	--	1.1	--	--	1.8	0.4	--	--	--	5.0	--	3.0
-- UNDP .....			--	1.7	1.0	1.9	1.4	2.2	1.0	0.4	1.8	1.2	2.5	2.0	17.1
-- Other UN .....			--	0.6	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.4	0.2	0.3	2.5
-- EEC .....			1.2	5.2	3.3	8.9	1.1	3.3	1.5	10.8	2.0	13.7	0.8	5.0	53.3

\* Less than \$50,000.

**ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS**  
(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
<b>Cameroon</b>	—	—	16.1	45.4	20.2	33.2	25.1	16.1	41.0	23.1	25.7	10.5	84.5	35.4	375.3
— IBRD	—	—	—	—	—	7.0	—	12.9	17.2	—	—	1.7	35.6	22.5	93.8
— IFC	—	—	—	—	—	—	—	—	—	—	—	—	—	0.5	0.5
— IDA	—	—	—	—	—	11.0	—	—	17.5	1.5	12.7	—	24.0	—	66.7
— AIDB	—	—	—	—	—	—	—	—	—	—	—	3.0	—	4.4	7.4
— UNDP	—	—	1.3	2.0	0.5	2.1	3.3	1.7	3.6	1.5	1.5	0.6	2.5	1.2	22.1
— Other UN	—	—	—	1.1	0.2	—	0.1	0.3	0.4	—	0.4	0.5	—	0.3	3.4
— EEC	—	—	14.8	42.3	19.5	13.1	21.7	1.2	2.3	20.1	11.1	4.5	22.4	6.5	179.4
<b>Cape Verde Islands</b>															
— Other UN	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	0.1
<b>Central African Republic</b>															
— IDA	—	—	4.4	17.6	9.0	6.6	5.8	6.0	7.2	2.8	11.5	14.2	10.2	12.3	108.7
— AIDB	—	—	—	—	—	—	—	4.2	4.3	—	3.9	—	—	—	12.4
— UNDP	—	—	—	1.2	0.1	0.3	1.0	0.9	1.1	1.9	1.0	1.0	1.2	0.1	11.0
— Other UN	—	—	—	0.3	0.1	0.1	0.1	0.1	—	0.2	0.2	—	0.5	0.3	9.5
— EEC	—	—	4.4	16.1	9.6	6.2	4.7	0.8	1.0	0.7	6.4	12.7	8.5	1.9	73.8
<b>Chad</b>															
— IDA	—	—	9.9	26.5	15.6	9.0	2.5	8.6	0.5	7.7	17.0	7.7	21.1	20.1	146.3
— AIDB	—	—	—	—	—	—	—	5.9	—	2.2	2.2	—	13.9	—	24.2
— UNDP	—	—	—	0.8	0.3	0.4	0.4	0.7	0.3	1.2	0.6	0.2	0.6	0.7	8.9
— Other UN	—	—	—	0.5	0.2	0.1	0.1	0.1	0.1	0.4	—	—	0.9	0.4	2.9
— EEC	—	—	9.9	25.2	15.1	8.5	2.0	1.9	0.1	3.5	14.2	7.5	1.7	14.5	104.2
<b>Congo, People's Republic of the</b>															
— IBRD	—	—	7.3	18.1	14.2	44.2	7.7	2.4	1.9	7.8	22.0	10.1	11.6	4.1	150.9
— IDA	—	—	—	—	—	30.0	—	—	—	—	—	—	—	—	30.0
— AIDB	—	—	—	—	—	—	—	—	1.5	3.5	10.3	—	6.2	—	21.5
— UNDP	—	—	—	2.5	2.9	0.3	2.9	1.1	0.3	1.7	1.0	0.9	1.0	0.1	14.5
— Other UN	—	—	—	0.4	0.2	0.1	0.2	0.1	0.2	—	—	—	—	—	1.3
— EEC	—	—	7.3	15.2	11.1	13.8	4.6	0.9	-0.1	2.6	9.5	6.7	1.4	1.5	74.6
<b>Ethiopia</b>															
— IBRD	—	8.6	20.4	53.5	15.1	3.7	25.3	29.0	9.7	18.2	35.5	25.8	96.3	99.7	451.0
— IDA	—	8.5	15.0	28.4	4.8	—	13.5	27.6	—	—	10.8	—	—	—	103.6
— IFC	—	—	—	2.5	1.9	—	8.8	—	0.6	—	—	—	—	—	15.5
— IDA	—	—	—	13.5	7.2	—	7.7	—	6.6	9.5	21.7	22.0	91.0	80.5	260.1
— AIDB	—	—	—	—	—	—	—	—	—	—	—	—	—	10.0	10.0
— UNDP	—	0.1	4.5	6.4	0.5	3.3	5.0	1.1	2.4	7.3	2.0	2.1	4.3	6.6	45.5
— Other UN	—	—	0.9	2.7	0.7	0.4	0.2	0.3	0.1	1.4	1.0	—	1.0	2.6	11.3

\*Less than \$50,000.

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS

(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - CONTINUED</b>															
Gabon .....			40.2	25.9	9.2	1.7	17.1	12.0	1.0	16.8	1.9	10.8	9.1	11.2	157.6
IBRD .....			35.0	12.0	-	-	1.8	6.0	-	-	-	9.5	-	5.9	69.2
AFDB .....				2.8	4.6	0.3	1.5	0.3	0.8	0.3	1.1	0.6	0.6	2.1	4.0
UNDP .....				0.5	0.1		0.1		0.1				0.1	0.1	15.1
Other UN .....															1.2
EEC .....			5.2	10.6	4.5	1.4	13.7	5.7	0.1	16.5	0.8		9.4		67.5
Gambia, The .....				0.2	0.2	0.1	0.1	0.3	2.3	0.2	0.5	1.7	2.6	2.5	19.3
IDA .....									2.1			1.3	2.4		5.9
AIDB .....															2.0
UNDP .....				0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.4	0.2	0.6	2.4
Other UN .....					0.1			0.1	0.1	0.1	0.2				0.6
Ghana .....			2.4	57.7	2.7	3.3	12.7	7.8	15.5	9.7	1.0	17.7	20.5	61.2	212.5
IBRD .....				47.0				6.0						23.0	75.0
IDA .....							10.0		14.6	7.1		15.6	13.0	26.0	66.3
AIDB .....													6.3	2.2	14.5
UNDP .....			1.8	9.2	2.0	3.2	2.5	1.6	0.6	2.4	0.9	1.1	1.2	4.0	30.6
Other UN .....			0.6	1.5	0.7	0.1	0.2	0.2	0.3	0.2	0.1	1.0			5.1
Guinea .....			0.3	3.8	4.3	3.3	0.5	67.2	3.0	9.9	0.6	0.6	7.0	3.7	164.3
IBRD .....								64.5		9.0					73.5
AIDB .....													6.7		6.7
UNDP .....			0.3	3.3	4.1	3.0	0.4	2.6	2.8	0.3	0.6	0.5	0.3	3.7	21.9
Other UN .....				0.5	0.2	0.3	0.1	0.1	0.2	0.6		0.1			2.2
Guinea-Bissau .....														0.2	0.2
Other UN .....														0.2	0.2
Ivory Coast .....			17.7	56.3	8.4	13.0	10.1	31.3	27.7	35.0	35.8	32.2	64.8	115.7	445.4
IBRD .....							5.8	17.1	18.5	27.5	17.5		33.4	79.5	197.1
IFC .....				0.2											0.2
IDA .....										0.4		7.5			7.5
AIDB .....													3.3	5.0	8.7
UNDP .....			1.0	2.2	1.7	0.4	3.0	3.7	1.6	4.1	1.7	1.4	2.3	2.6	25.7
Other UN .....			0.1	1.2	0.3	0.2	0.2	0.2	0.3		0.2	0.5			3.0
EEC .....			16.6	52.7	6.4	12.4	1.1	10.3	7.3	3.0	16.4	22.8	25.8	29.6	203.2
Kenya .....			6.2	21.9	2.8	24.2	17.5	7.0	48.2	46.5	59.3	18.8	84.0	164.6	430.1
IBRD .....			5.6	3.0					26.1	31.3	29.0		44.4	75.5	214.9
IFC .....						2.9	0.1		12.9		2.5	2.9	2.8		23.2
IDA .....				9.7		15.9	12.8	3.6	6.1	12.6	22.0	6.0	33.5	25.5	145.7
AIDB .....							2.3		1.3		3.0		3.0	3.0	12.5
UNDP .....			0.2	6.6	2.4	4.8	2.0	3.0	1.6	2.1	2.0	1.9	0.3	0.3	27.1
Other UN .....			0.4	2.6	0.4	0.5	0.3	0.4	0.2	0.6	0.8			0.5	6.7

\*Less than \$50,000.

\*\* Prior to 1955 included with Rhodesia by the IIN and shown here in Southern Rhodesia.

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS

(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
<b>Lesotho</b> .....		-	0.1	0.6	4.3	0.2	0.2	1.9	1.7	0.6	1.2	7.5	1.4	5.0	24.8
IDA .....		-	0	-	4.1	-	-	-	-	-	-	5.6	-	4.0	13.7
AIDB .....		-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1
UNDP .....		-	0	0.3	0.1	0.2	0.2	1.8	1.6	0.6	0.7	1.9	1.4	0.9	9.7
Other UN .....		-	0.1	0.3	0.1	0	0	0.1	0.1	0	0.5	-	-	-	1.3
<b>Liberia</b> .....	0	0.1	3.7	5.8	2.3	0.3	0.2	7.1	10.2	2.6	16.4	9.3	4.5	10.5	73.1
IBRD .....	0	-	-	3.2	1.0	-	-	3.6	7.4	-	6.7	3.0	2.9	4.0	30.8
IFC .....		-	-	-	0.2	-	-	-	-	-	-	-	-	-	0.2
IDA .....		-	-	-	-	-	-	-	-	-	6.4	2.6	-	-	11.0
AIDB .....		-	-	-	-	-	-	-	1.3	-	0.5	1.0	0.7	5.9	9.3
UNDP .....		0.1	3.0	1.9	0.9	0.3	0.2	3.3	1.4	2.3	1.8	1.6	0.9	0.7	12.3
Other UN .....		-	0.7	0.7	0.2	0	0	0.2	0.1	0.3	-	1.1	-	-	3.5
<b>Libya</b> .....		0.2	8.4	4.8	2.3	2.1	0.4	1.4	0.3	1.8	0.4	-	-	-	22.1
UNDP .....		0.2	7.5	4.0	2.1	2.0	0.3	1.3	0.3	1.8	0.4	-	-	-	19.3
Other UN .....		-	0.9	0.8	0.2	0.1	0.1	0.1	0	0	-	-	-	-	2.3
<b>Malagasy Republic</b> .....	0	0	25.7	36.8	46.0	14.9	20.5	20.8	14.1	28.7	19.3	55.8	15.9	35.8	334.9
IBRD .....	0	0	-	-	-	-	4.8	6.3	-	-	-	15.0	-	6.6	32.6
IDA .....		-	-	-	-	10.0	-	4.5	9.6	5.0	15.3	15.0	7.9	16.4	83.6
UNDP .....		-	0	6.2	1.2	1.5	2.2	3.0	1.7	2.2	2.2	2.0	1.8	0.1	24.0
Other UN .....		-	0.1	0.9	0.1	0.2	0.1	0.4	0.1	0.2	-	0.5	-	0.4	3.0
EEC .....		-	25.6	29.7	44.7	3.2	13.4	6.6	2.7	21.3	1.8	23.3	7.3	12.1	191.7
<b>Malawi</b> .....		0	0	0.3	2.9	6.7	22.3	1.0	8.7	7.5	8.1	14.9	11.8	25.8	110.1
IDA .....		0	0	0	0	6.3	21.2	0	5.2	7.2	6.6	10.5	9.5	18.5	85.7
AIDB .....		-	-	-	-	-	-	-	3.0	-	-	0	0.5	5.7	10.9
UNDP .....		-	-	0.1	2.8	0.3	0.9	0.8	0.4	0.3	1.5	2.8	1.3	1.6	12.9
Other UN .....		-	-	0.2	0.1	0.1	0.2	0.2	0.1	0	-	-	0.5	-	1.3
<b>Mal. Republic of</b> .....		0	7.5	35.7	20.9	12.4	8.2	12.9	10.7	14.7	27.5	31.2	20.6	49.4	259.5
IDA .....		0	0	0	0	9.1	0	0	7.7	0	10.5	16.2	7.5	32.2	83.1
AIDB .....		-	-	-	-	-	-	-	0.6	-	-	-	4.4	11.0	16.0
UNDP .....		-	0	6.2	1.4	1.6	1.8	1.7	2.0	2.7	2.0	1.2	2.1	0.5	22.1
Other UN .....		-	0	1.2	0.4	0.3	0.5	0.2	0	0.1	0.3	1.2	-	-	4.2
EEC .....		-	7.5	29.3	19.1	1.4	5.9	11.0	0.4	11.9	14.7	12.6	6.6	4.7	125.1

\* Less than \$50,000.

\*\* Data to 1965 included with Rhodesia by the UN and shown here in Southern Rhodesia.

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS

(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
<b>Mauritania</b>	==	==	70.9	26.2	4.9	3.4	20.9	19.2	0.7	2.9	5.2	11.1	20.7	10.3	196.5
IBRD	==	==	66.0	-	-	-	-	-	-	-	-	-	-	-	66.0
IFC	-	-	-	-	-	-	20.0	-	-	-	-	-	-	-	20.0
IDA	-	-	-	6.7	-	-	-	3.9	-	-	4.2	-	7.4	3.0	24.2
AIDB	-	-	-	-	-	-	-	-	-	-	-	0.8	3.9	0.8	5.4
UNDP	-	-	-	1.3	0.1	1.2	0.2	1.6	0.1	1.8	0.2	-	0.6	0.6	7.8
Other UN	-	-	-	0.7	0.3	0.1	0.2	0.3	0.2	-	0.1	0.3	-	-	2.2
EEC	-	-	4.9	17.5	4.5	2.1	0.5	14.3	0.4	1.1	0.7	10.0	8.9	5.9	70.9
<b>Mauritius</b>	==	==	0.5	0.4	1.2	0.8	1.0	0.2	0.3	5.8	4.1	5.3	21.1	10.7	66.3
IBRD	==	==	-	7.0	-	-	-	-	-	-	-	-	15.0	3.5	25.5
AIDB	-	-	-	-	-	-	-	-	-	-	-	-	-	6.0	6.0
IDA	-	-	-	-	-	-	-	-	-	5.2	3.5	4.0	4.0	3.5	20.2
IFC	-	-	-	-	-	-	-	-	-	0.6	-	-	-	-	0.6
UNDP	-	-	0.4	1.0	1.1	0.8	1.0	0.2	0.2	0.5	0.6	1.1	0.4	0.4	7.6
Other UN	-	-	0.1	0.4	0.1	-	-	-	0.1	0.5	-	0.2	-	-	1.4
EEC	-	-	-	-	-	-	-	-	-	-	-	-	1.7	3.3	5.0
<b>Morocco</b>	==	==	3.5	42.0	42.4	2.7	3.5	14.7	70.0	50.4	26.0	110.3	145.4	67.4	582.6
IBRD	==	==	-	30.3	25.9	-	-	11.4	65.1	45.0	15.0	95.0	136.0	46.5	469.5
IFC	-	-	-	1.5	1.3	-	-	-	-	-	-	-	-	-	2.8
IDA	-	-	-	-	11.0	-	-	-	7.3	-	8.5	10.0	-	14.0	50.8
AIDB	-	-	-	-	-	-	-	-	2.8	-	-	3.0	4.0	-	9.8
UNDP	-	-	2.9	8.2	3.6	2.4	3.2	2.9	2.2	3.9	1.7	1.3	1.4	4.9	38.7
Other UN	-	-	0.6	2.0	0.6	0.3	0.3	0.4	0.6	1.5	0.8	-	4.0	-	11.0
<b>Mozambique</b>	-	==	==	==	==	==	==	==	==	==	==	==	==	1.9	1.9
UNDP	-	==	==	==	==	==	==	==	==	==	==	==	==	0.9	0.9
Other UN	-	-	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0
<b>Niger</b>	-	==	7.3	26.8	12.9	13.2	1.5	12.2	7.0	18.9	23.7	9.3	13.7	6.4	152.7
IDA	-	-	-	1.5	-	-	-	6.1	0.6	5.7	-	-	9.2	-	22.1
AIDB	-	-	-	-	-	-	-	-	-	1.0	0.4	-	-	4.0	5.4
UNDP	-	-	-	3.1	1.5	1.6	1.7	0.5	1.6	2.9	0.6	0.3	0.5	0.7	14.9
Other UN	-	-	-	0.8	0.1	0.3	0.1	0.3	0.1	0.2	0.1	1.6	-	-	3.5
EEC	-	-	7.3	21.4	11.3	11.3	(0.3)	5.3	4.7	9.1	22.6	7.4	5.0	1.7	106.8
<b>Nigeria</b>	==	==	34.2	177.9	36.9	3.8	2.5	22.9	41.5	108.9	127.4	10.9	113.5	108.3	735.3
IBRD	==	==	28.0	125.5	32.0	-	-	20.1	35.6	97.2	119.6	-	109.0	105.5	669.6
IFC	-	-	-	1.9	-	0.8	-	-	-	-	-	-	2.9	0.2	5.7
IDA	-	-	-	35.3	-	-	-	-	-	-	-	-	-	-	35.3
AIDB	-	-	-	-	-	-	-	-	-	1.6	3.4	-	-	-	5.0
UNDP	-	-	5.3	12.2	3.9	2.2	1.9	2.4	4.3	4.9	2.2	2.9	4.3	2.8	49.3
Other UN	-	-	0.9	3.0	1.0	0.6	0.6	-	1.6	5.2	2.2	5.1	-	-	23.4

\*Less than \$30,000.

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS

(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1948-1949	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
<b>Rwanda</b>															
IBRD			1.5	8.1	7.9	4.8	1.6	5.8	10.9	5.5	11.4	10.9	15.7	11.6	101.4
AIDB									9.3		3.0		10.1	3.0	32.4
UNDP				0.8	3.6	0.9	0.3	1.8	0.3	0.4	0.6	0.2	4.2		4.2
Other UN				0.9	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.6	1.1	1.0	10.8
EEC			1.5	6.4	4.2	3.0	1.1	3.9	1.2	5.0	7.6	19.1	0.3	2.4	56.5
<b>Senegal</b>															
IBRD			14.3	44.2	26.5	26.7	32.1	5.9	5.5	25.7	22.4	55.0	27.9	44.8	331.5
IFC						4.0					6.4	9.2	3.6	7.0	23.2
IDA						3.3					0.1			0.3	3.6
AIDB						9.0		6.0	2.1	7.0	3.2	20.7	3.0	23.0	62.0
UNDP			0.5	5.6	4.2	0.4	1.7	0.6	1.2	3.2	1.3	2.6		9.9	12.5
Other UN			0.1	0.9	0.4	0.3	0.2	0.1	0.2		0.5	1.2	0.6	0.4	21.0
EEC			13.7	37.7	21.0	9.5	30.2	(0.8)	2.0	15.5	10.9	13.1	20.4	4.1	178.4
<b>Seychelles</b>															
UNDP												0.1	0.1	0.7	1.1
Other UN												0.1	0.1	0.5	1.0
<b>Sierra Leone</b>															
IBRD			0.3	6.4	2.1	0.5	0.4	4.8	6.0	9.6	5.1	3.3	1.0	3.7	43.3
IDA				3.8				3.9		3.7				2.3	13.7
AIDB									3.0	3.5	4.3				10.8
UNDP			0.3	2.1	1.8	0.3	0.3	0.8	1.3	2.3	0.5	3.1	0.5	0.6	5.7
Other UN				0.5	0.2	0.2	0.1	0.1	0.2	0.1	0.3			0.3	2.0
<b>Sierra Leone</b>															
IBRD			4.8	27.0	9.3	6.7	11.3	8.2	2.7	10.7	17.3	31.7	12.9	20.1	159.1
AIDB				6.2			2.3	0.6		3.3	9.6	12.9	10.0	5.0	52.5
UNDP			1.6	6.2	3.5	2.2	1.7	1.3	2.1	1.2	3.7	4.0	1.7	1.1	30.6
Other UN			0.3	2.3	0.6	0.2	0.2	0.3	0.3	0.2	0.2		0.5	1.0	5.7
EEC			2.9	12.3	5.2	4.3	7.1	4.0	0.3		1.3	14.8	0.7	10.5	77.3
<b>South Africa, Republic of</b>															
IBRD		50.0	146.8	25.1		20.0		0.1	0.1	0.1					242.3
Other UN		50.0	146.8	25.0		20.0									241.5
<b>Southern Rhodesia</b>															
IBRD		28.0	55.3	5.0	0.2	0.1			0.1						28.6
UNDP		28.0	55.1	3.8											87.9
Other UN			0.1	0.7	0.1	0.1			0.1						1.1
EEC			0.1	0.5	0.1										0.7

\* Less than \$50,000.

† Data prior to 1965 include UN assistance to former Northern Rhodesia (now Zambia) and Nyasaland (now Malawi).

ASSISTANCE FROM INTERNATIONAL ORGANIZATION

(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
<b>Sudan</b> .....	==	==	91.9	8.9	32.9	4.0	30.5	4.7	3.1	3.4	19.3	51.5	55.3	39.9	345.4
IBRD.....	==	==	73.3	-	31.0	-	19.0	3.9	-	-	-	-	-	-	127.2
IFC.....	-	-	-	0.7	-	-	-	-	-	-	1.5	-	-	-	2.2
IDA.....	-	-	12.4	-	-	-	8.5	-	-	-	11.2	49.0	38.7	-	152.8
AIDB.....	-	-	-	-	-	-	-	-	-	0.8	2.8	-	11.0	-	14.6
UNDP.....	-	-	5.5	6.5	1.4	3.9	2.9	0.5	2.8	1.4	1.6	2.3	5.6	5.9	40.4
Other UN.....	-	-	0.7	1.7	0.5	0.1	0.1	0.3	0.3	1.2	2.2	0.2	-	1.0	9.2
<b>Swaziland</b> .....	==	==	*	8.0	0.1	4.1	0.3	0.3	0.1	1.1	1.5	2.0	2.7	16.8	35.9
IBRD.....	==	==	-	4.2	-	2.8	-	-	-	-	-	-	-	19.5	17.4
IDA.....	-	-	-	2.8	-	-	-	-	-	-	-	-	-	5.0	7.6
AIDB.....	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5	4.1
UNDP.....	-	-	*	0.8	0.1	1.3	0.2	0.2	0.1	1.0	1.1	0.5	0.8	0.6	6.6
Other UN.....	-	-	*	0.2	*	*	0.1	0.1	*	*	0.4	-	-	-	0.6
<b>Tanzania</b> .....	==	==	3.2	29.7	7.2	2.8	11.0	23.3	8.9	49.6	19.1	32.0	53.1	104.3	342.4
IBRD.....	==	==	-	-	-	-	5.2	7.0	-	30.0	-	-	26.0	54.0	122.2
IFC.....	-	-	2.1	1.9	-	-	-	-	-	-	-	-	-	-	3.9
IDA.....	-	-	-	18.6	6.0	-	3.0	14.3	7.5	12.3	17.3	28.8	23.5	37.7	167.6
AIDB.....	-	-	-	-	-	-	-	-	-	3.0	-	1.5	-	5.0	9.2
UNDP.....	-	-	1.0	7.6	1.8	2.4	2.2	1.9	1.0	2.4	1.8	1.7	2.8	5.1	31.7
Other UN.....	-	-	0.1	1.6	0.4	0.4	0.6	0.1	0.4	1.9	-	-	0.8	2.5	8.8
<b>Togo</b> .....	-	==	8.9	10.1	5.2	3.0	7.9	11.3	4.5	13.4	2.0	13.0	11.6	14.2	101.3
IDA.....	-	==	-	-	-	-	-	3.7	-	-	-	-	8.7	6.0	18.1
AIDB.....	-	-	-	3.0	0.3	1.5	2.4	2.1	0.7	0.8	0.4	0.8	1.8	0.3	15.2
UNDP.....	-	-	0.8	1.1	0.3	0.1	0.2	0.1	0.3	*	0.2	0.3	-	-	1.6
Other UN.....	-	-	8.1	6.0	4.6	1.4	5.3	5.4	3.5	12.6	-	11.9	1.1	3.1	62.9
EEC.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Tunisia</b> .....	==	==	3.2	25.2	8.7	25.5	13.6	54.2	24.6	41.1	35.6	41.3	48.1	82.1	402.0
IBRD.....	==	==	-	7.0	4.7	6.1	9.3	32.0	10.0	31.5	27.0	23.0	34.0	69.1	255.0
IFC.....	-	-	-	3.5	0.6	*	-	9.9	0.6	*	0.1	2.3	0.6	3.2	20.8
IDA.....	-	-	-	4.9	-	15.0	-	8.5	10.5	4.3	5.0	10.0	7.0	-	55.7
AIDB.....	-	-	-	-	-	-	-	-	-	-	0.9	-	3.9	3.8	16.3
UNDP.....	-	-	2.6	8.1	2.7	4.2	0.6	3.3	2.7	4.0	1.9	1.0	1.6	1.0	33.6
Other UN.....	-	-	0.6	1.7	0.7	0.2	0.9	0.5	0.8	0.8	0.7	-	1.0	-	7.9

\*Less than \$50,000.

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS  
(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
<b>Uganda</b> .....	=	=	9.2	8.4	1.2	12.6	9.7	5.8	12.3	15.7	1.9	1.5	2.1	6.0	85.7
ICRD .....	=	=	8.4	-	-	-	-	-	-	-	-	-	-	-	2.4
IFC .....	=	=	-	3.2	-	-	-	-	-	-	1.1	-	-	-	4.3
IDA .....	=	=	-	-	-	10.0	8.1	3.0	11.6	11.3	-	-	-	-	42.1
AIDC .....	=	=	-	-	-	-	0.2	0.1	-	3.0	-	1.0	-	3.5	7.8
UNDP .....	=	=	0.4	4.4	1.0	2.4	0.8	2.3	0.4	1.3	0.7	0.3	2.1	1.9	18.1
Other UN .....	=	=	0.4	0.8	0.2	0.2	0.6	0.4	0.3	0.1	0.1	0.2	-	0.6	4.0
<b>Upper Volta</b> .....	=	=	11.4	19.5	8.8	10.2	6.6	9.6	2.9	17.8	15.2	13.2	26.3	33.1	174.6
IDA .....	=	=	-	-	-	-	-	0.8	-	6.2	5.0	-	10.7	17.0	39.7
AIDB .....	=	=	-	-	-	-	-	-	2.0	-	-	-	0.4	9.0	11.4
UNDP .....	=	=	-	2.8	0.8	0.3	2.1	1.5	0.3	1.7	1.7	1.1	3.3	2.3	17.9
Other UN .....	=	=	0.2	0.4	0.3	-	0.2	0.1	0.3	-	-	-	0.7	1.0	3.3
EEC .....	=	=	11.2	16.3	7.7	9.9	4.3	7.2	0.3	9.9	8.5	12.1	11.2	3.8	102.3
<b>Zaire</b> .....	=	70.0	54.4	30.5	34.5	7.7	4.2	29.9	19.6	27.3	58.3	38.1	35.1	154.4	551.0
ICRD .....	=	70.0 <sup>a</sup>	51.6	-	-	-	-	-	-	-	-	-	-	100.0	221.6
IFC .....	=	=	-	-	-	-	-	-	0.8	-	-	-	-	-	-
IDA .....	=	=	-	-	-	-	-	6.0	5.0	7.0	35.5	8.5	10.0	26.0	98.0
AIDB .....	=	=	-	-	-	-	-	-	-	-	-	2.5	3.3	6.6	12.4
UNDP .....	=	=	-	10.6	2.3	1.0	1.7	4.8	1.3	3.8	2.6	4.2	1.9	0.3	24.4
Other UN .....	=	=	0.6	2.8	0.9	0.1	0.1	0.2	0.2	0.2	-	1.5	-	-	6.5
EEC .....	=	=	2.2	17.1	31.3	6.6	2.4	19.1	12.3	16.5	20.2	21.4	19.9	21.5	190.3
<b>Zambia</b> .....	=	=	64.3	4.0	1.6	15.3	4.8	37.5	11.8	43.8	2.0	80.4	115.6	102.8	464.8
ICRD .....	=	=	63.5	3.8	-	13.3	-	35.6	10.8	40.0	-	74.5	115.0	94.1	431.5
IFC .....	=	=	-	-	-	-	-	-	-	-	1.1	1.2	-	1.0	3.3
AIDB .....	=	=	-	-	-	-	-	-	-	-	-	2.6	-	5.0	8.3
UNDP .....	=	=	0.8	0.1	1.4	1.9	4.6	1.8	0.9	3.1	0.9	2.1	0.5	2.2	26.2
Other UN .....	=	=	-	0.1	0.2	0.1	0.2	0.1	0.1	-	-	-	0.1	0.5	1.5
<b>French Community and Possessions</b> .....	=	=	5.0	7.4	10.8	0.1	2.1	1.3	-0.3	0.8	0.1	11.7	2.4	-0.1	41.3
UNDP .....	=	=	0.2	-	-	0.1	-	0.1	-	-	-	-	0.1	0.1	0.7
Other UN .....	=	=	0.1	-	-	-	-	-	-	-	-	-	0.1	-	0.2
EEC .....	=	=	4.7	7.4	10.8	-	2.1	1.2	-0.3	0.8	0.1	11.7	2.2	-0.2 <sup>b</sup>	40.4

<sup>a</sup> Less than \$50,000.

<sup>b</sup> Prior to 1965 included in Rhodesia by the UN and shown here in Southern Rhodesia.

<sup>c</sup> Remains redistribution by country.

ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS

(Millions of Dollars)

COUNTRY AND PROGRAM - CONT'D.	U.S. FISCAL YEARS														TOTAL
	1946-1948	1949-1952	1953-1961	1962-1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	
<b>AFRICA - Continued</b>															
Portuguese Possessions .....		—	0.2	0.4	0.2	—	—	•	•	•	—	—	—	0.1	0.9
UNDP .....		—	•	•	—	—	—	—	•	•	—	—	—	—	—
Other UN .....		—	0.2	0.4	0.2	—	—	•	•	•	—	—	—	0.1	0.9
Other Sterling Area .....		—	0.2	•	—	—	•	0.1	•	—	—	0.1	•	—	0.5
UNDP .....		—	•	—	—	—	—	0.1	•	—	—	0.1	•	—	0.5
Other UN .....		—	0.2	•	—	—	—	—	—	—	—	—	—	—	0.5
Regional and Other Countries .....	—	—	38.2	42.9	64.7	37.8	6.8	6.5	99.0	26.4	29.9	70.4	14.7	3.4	438.6
IBRD .....	—	—	31.1 <sup>a</sup>	—	38.0 <sup>b</sup>	13.0 <sup>b</sup>	—	—	87.8	—	8.0	59.0	—	—	236.9
IFC .....	—	—	—	—	—	—	—	—	—	0.5	—	—	—	—	0.5
IDA .....	—	—	—	—	—	—	—	—	—	—	—	2.0 <sup>b</sup>	—	—	2.0
AIDB .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
UNDP .....	—	—	1.7	21.3	11.0	9.6	5.5	3.5	6.7	19.0	3.9	0.2	10.7	9.5	103.0
Other UN .....	—	—	3.2	13.2	4.0	1.2	1.2	1.0	1.1	1.0	0.3	•	0.7	1.1	28.5
EEC .....	—	—	2.2	8.4	11.7	14.0	0.1	2.0	1.4	0.9	14.7	9.2	3.3	-7.2 <sup>c</sup>	60.5
<b>EUROPE - TOTAL</b> .....	<b>496.8</b>	<b>121.3</b>	<b>724.4</b>	<b>584.9</b>	<b>99.1</b>	<b>37.1</b>	<b>117.1</b>	<b>68.0</b>	<b>152.5</b>	<b>278.1</b>	<b>201.7</b>	<b>169.8</b>	<b>265.4</b>	<b>517.4</b>	<b>3,030.7</b>
IBRD .....	496.8	121.2	702.6	557.1	90.0	28.0	109.7	62.5	135.5	259.8	173.0	160.4	255.0	513.0	3,023.1
IFC .....	—	—	3.0	4.9	•	0.2	—	—	10.0	9.0	23.1	18.3	25.2	—	92.5
UNDP .....	—	0.1	12.2	14.0	6.7	8.4	6.8	5.3	6.9	9.1	5.5	11.1	5.2	4.4	95.5
Other UN .....	—	—	6.1	8.6	2.4	0.6	0.7	0.3	0.1	0.3	0.1	—	—	—	19.5
Austria .....	•	•	100.2	5.0	•	—	—	—	—	—	—	—	—	—	105.2
IBRD .....	—	—	99.9	5.0	•	—	—	—	—	—	—	—	—	—	104.9
UNDP .....	—	•	0.3	•	•	—	—	—	—	—	—	—	—	—	0.3
Other UN .....	—	—	—	•	•	—	—	—	—	—	—	—	—	—	0.0
Belgium-Luxembourg .....	11.8	16.0	30.0	•	•	—	—	—	—	—	—	—	—	—	53.8
IBRD .....	11.8	16.0	30.0	•	•	—	—	—	—	—	—	—	—	—	57.8
UNDP .....	—	•	•	•	•	—	—	—	—	—	—	—	—	—	0.5
Other UN .....	—	—	•	•	•	—	—	—	—	—	—	—	—	—	0.5
Denmark .....	40.0	—	20.0	25.0	•	•	—	—	—	—	—	—	—	—	85.0
IBRD .....	40.0	—	20.0	25.0	•	•	—	—	—	—	—	—	—	—	85.0
Other UN .....	—	—	•	•	•	•	—	—	—	—	—	—	—	—	0.0

<sup>a</sup> Less than \$50,000.

<sup>b</sup> Represents \$24.0 million for rail, port and other transport services to Kenya, Tanzania, and Uganda; add \$7.1 million for a railroad which will benefit Senegal, Sudan, and the Entente States.

<sup>c</sup> Represents \$33.6 million loan in FY 1966 and \$13.0 loan in FY 1967 to the East Africa Common Services Authority for Kenya, Tanzania, and Uganda.

• for Air Afrique. <sup>b</sup> Loan for Equatorial Guinea. <sup>c</sup> Reflects redistribution by country.

PART II

Zimbabwe

## SECTION ONE

### Conditions Under Which Majority Rule May Occur

It would appear that a precise definition of "majority rule" is unnecessary, since majority rule may be taken to be whatever the people of Zimbabwe consider majority rule to be. That may consist of a government where the African representation in the legislature is one more than that of the minority, or it may be proportional representation in the legislature, or again, whatever formula is considered to be acceptable by Zimbabweans.

In considering the particular scenario by which majority rule may occur it is important to recognize that

-the Kissinger plan is indicative of a determination by the United States government to protect its interests in Zimbabwe and in Rhodesia against possible increased communist interests, and even the introduction of Cuban troops. This would protect the minority from increasing deterioration in the armed confrontation indicating the United States decision not to allow the struggle in Zimbabwe to take its full course or to be won on the battlefield. For this reason, it may not be significant for the purpose of this study whether or not the particular current Kissinger proposal goes forward. For it appears clear that the United States

will, in the absence of some completely unforeseen change in foreign policy decision making, continue directly or indirectly to attempt to work out a negotiated solution.

-The real question probably relates more to the conditions of transfer and which group emerges as the representative of the Zimbabweans, and whether there is confrontation among the Zimbabweans.

This paper proceeds in general on the thesis that, whatever the particular scenario, in the end it will be a negotiated solution. The unknowns are:

- how great will be the decimation of the economy before a solution is negotiated
- how many whites will have left
- how much will be left to be negotiated
- how much leverage the U.S. will have
- to what extent must Zimbabwe be grateful to the Russians for aiding in their achievement of independence
- what are the critical factors for protecting U.S. interests with respect to U.S. business and Zimbabwean raw materials
- can a particular foreign policy be implemented through the projected assistance programs to insure a government oriented towards the capitalist rather than socialist type of economy
- is this even a valid objective

### U. S. Interests

It is fashionable to divide consideration of U. S. interests in Africa into short-term versus long-term interests. Short term interests refer to concrete interests in a realpolitik sense--economic, strategic, and political interests, and to the region in the present time frame. Long-term interests refer sometimes both to interests in a human rights sense, that is, majority rule, self-determination, human dignity, and to a future indeterminate time when the black majority becomes ascendant.

Although such a dichotomy has its utility, its intrinsic difficulty as a basis for policy development was certainly exposed in the case of the Portuguese territories of Angola and Mozambique. With respect to Rhodesia, there is always the temptation to try to cast the framework of majority rule (its inevitability and immediacy having been made clear) so as to provide immediate protection for these concrete interests.

Such an effort was attempted in Angola without success. This indicates the frailty of any approach keyed to "short-term interests." Present U. S. policy towards Rhodesia

(The sanctions are conventional law inasmuch as they are treaty obligations and proceed directly from the United Nations charter.) It should not be assumed, however, that a Soviet veto would necessarily obstruct the lifting of sanctions; for the particular scenario of approach towards the lifting of sanctions might be determinative. For example, the United Kingdom as the colonial authority might proceed by merely announcing to the Security Council that the rebellion was over, the threat to the peace was ended and therefore the actions taken under Security Council resolutions 232 and 253 were no longer necessary or extant.

It would be incumbent upon an objecting state to bring a resolution which, of course, could be vetoed by the United Kingdom or the United States. It would be hoped, of course, that such a manipulative scenario would not have to be the end result.

What is of importance however is the following:

1. That until the termination of sanctions, whatever the scenario, the United States is constrained by those sanctions with respect to the relations that it may have with the regime. This means that the question of U. S. assistance during the "transition" whatever the meaning of this term (now, the period beginning with the conference on the formation of the transitional government to independence itself) is proscribed by the U. S. international legal obligations under the sanctions unless it falls within

a permissible category under the U. N. resolution. The applicable U. N. resolution SC Res. 253 of May 29, 1968 prohibits:

- the import into the United States of all commodities and products from Rhodesia
- any activities by U.S. nationals or in the United States which would promote or be calculated to promote the export of any commodities or products from Southern Rhodesia
- any dealing by U.S. nationals or in the United States in any commodities or products originating in Rhodesia
- any transfer of funds to Rhodesia for the purposes of such activities
- the sale or supply by U.S. nationals or from the United States of any commodities or products to any person in Rhodesia or for the purpose of any business carried on in Rhodesia
- the making available to the regime of any commercial, industrial or public utility undertaking, of any funds for investment, or of any other financial or economic resources and from remitting any funds to persons within Rhodesia

There are important exceptions, however, which permit the sending of supplies intended strictly for medical purposes, educational equipment, materials for use in schools and other

educational institutions, publications, news material, and in special humanitarian circumstances, food stuffs. There is also a relative exception for payment exclusively for pensions, or for strictly medical, humanitarian or educational purposes, or for the provision of news material and in special humanitarian circumstances, food stuffs.

The President has implemented this resolution in the United States pursuant to section 5 of the UN Participation Act by Executive Order 11419 of July 29, 1968, "RELATING TO TRADE AND OTHER TRANSACTIONS INVOLVING SOUTHERN RHODESIA." It is interesting to note that the Executive Order specifically prohibits:

transfer by any person subject to jurisdiction of the United States directly or indirectly to any person or body of Southern Rhodesia of any funds or other financial or economic resources.

The Executive Order does provide, however, that:

payments exclusively for pensions, for strictly medical, humanitarian or educational purposes, for the provision of news material and for food stuffs required by special humanitarian circumstances may be authorized.

It might be noted that, notwithstanding the clear wording of the sanctions of the Executive Order, the Treasury has implemented both the Union Carbide so-called hardship exception as well as the imports under the Byrd Amendment.

Although the lifting of sanctions does require UN action either indirectly through acquiescence or directly through a Security Council resolution, the lifting of the Executive Order would merely be by Presidential action. Here it is interesting to note that the applicable U.S. law, Section 5 of the UN Participation Act, does not require the President to conform to UN sanctions. (Of course, the international legal obligation to do so would remain but the domestic obligation could be removed.) The relevant wording of the UN Participation Act is as follows:

notwithstanding the provisions of any other law, whenever the United States is called upon by the Security Council to apply measures which said Council has decided, pursuant to Article 41 of said Charter, are to be employed to give effect to its decisions under said Charter, the President may, to the extent necessary to apply such measure, through any agency which he may designate, and under such orders, rules and regulations as may be prescribed by him, investigate, regulate, or prohibit in whole or in part, economic regulations...between any foreign country or any national thereof or any person therein in the United States or any person subject to the jurisdiction thereof, or involving any property subject to the jurisdiction of the United States.

This means that the President has the authority and the discretion under U.S. law to implement or not to implement UN sanctions as he sees fit. This authorization by the Congress in the UN Participation Act is coincidental with the generally understood power of a State to decide, as it will in accordance with its own domestic law whether or not

to conform to its international legal obligations.

Also apropos here in connection with any plan or proposal for training in Zimbabwe or the sending into Zimbabwe of monies for the purpose of educational training would be interpretations by relevant UN organs and the United States and other states of the educational exception. It is clear, however, that to the extent that any such assistance took place outside of Zimbabwe, that the sanctions difficulty would be obviated.

#### Time Framework

The time frame is particularly important for consideration of possible U.S. aid programs by reason of UN sanctions. Without any policy determination that the U.S. would act counter to sanctions, the permissible aid at the present time would be to

- Liberation movements
- U.S. persons affected by sanction, such as U.S. companies
- to Zimbabweans outside of Rhodesia either in
  - training
  - refugee assistance
- to others such as Rhodesian whites who leave Rhodesia
- to those humanitarian, medical and educational

projects permissible under the exceptions to the sanctions.

### State of the Southern Rhodesian Economy

In 1975 Southern Rhodesia had a \$3 billion GNP (RS 2 billion, RS indicates Rhodesian dollars), whereas at UDI its GDP was only 7/10 of a billion. Even discounting the difference in real value, the GDP still doubled. Sanctions rather than stopping the growth rate is said to have curtailed the growth by the Department of State.

The various sectors of

- Agriculture: principal commercial products in 1965 were tobacco, meat, sugar, cotton, tea and peanuts. Main subsistence crops were millet and sorghum.
- Commerce: retail index rose.
- Tourism: 1972-74 - showed steady decline from its peak in 1972.
- Transportation: 1,568 miles of railway and 46,000 miles of road (4,194 all weather, 2,500 miles paved), Major airways at Salisbury, Bulawayo, Fort Victoria, Kariba and internal transportation services are good.
- Communications: well developed telephone, telegraph radio and television systems with direct telephone dialing between main towns.
- Power: In 1974 country used 5.6 billion K Wh. At present the country's generating capacity is 960 M Wh; potential in 1985 is 226 M Wh.

Minerals: asbestos, chrome ore, gold, copper, iron ore, tin.

Fisheries: commercial fishing confined to Lake Kariba. Annual catch is 2,000 tons.

Forestry: large reserves of Rhodesian teak in the north east

Land: 150,330 square miles - central high plateau, lower plateaus lying on either side low lands along rivers.

### Mining

In 1965 asbestos had topped the list of mining production with 27% of the total value of mineral production followed by gold (21%), copper (20%), coal (12%) and chrome (8%) (Area Handbook, p. 311). The late 1960's witnessed the expansion of copper and chrome production and by 1971 copper was said to be in first place in production and exports while gold had fallen to fourth (p. 211 AHRS). Nickel developed rapidly after the imposition of UDI and by 1973 four nickel mines were in production (S.A. and London based companies were important in exploitation - The Anglo-American Corporation of S.A. and Rio Tinto of London). Up to 1954 copper was produced in minor quantities but by 1973 there were 40 operating mines bringing in over R\$10 million per annum. Copper profits decreased between 1970 and 1972 in response to the decline in world base metals prices. Rhodesia was thought to have the world's largest reserves of high grade chrome ore suited for use in stainless steel. Its production,

which rose by 36% in 1970, is controlled by the Union Carbide Company (New York) which is associated with Foote Minerals Chrome Company based in the United Kingdom and the U.S. and by Rhodesian Vanadium Corporation which is a subsidiary of Vanadium Corporation of America.

Only as of 1952 was gold being overtaken by asbestos and chrome as main mineral exports. In response to the international market the number of gold mines operating increased from 450 to 530 between 1966 and 1973. Rhodesian exports in 1973 were predicting an important breakthrough for platinum. Their projections were that in the next 10 years (from 1973) two mines would be opened with an annual production of R\$19 at 1973 prices (AHSR).

For the period 1967-72 this was the fastest growing sector of the economy. Part of this growth is attributable to the imposition of sanctions and to the government's policy of protecting "infant industries" through the imposition of tariff and tax concessions are selective tariff imposed against competitive imports. Prior to 1966, Rhodesia had one of the most diversified economies in tropical Africa. However, it was handicapped in its development in this section by the small size of its domestic market, its ability to compete with higher quality imports, and the low level of income earnings by most of the population. Furthermore, Rhodesia represented a case of enclave development. Exports of

minerals and agricultural products were able to earn almost all foreign exchange needed to finance imports of plant and machinery equipment, services and quality consumer goods.

Another contributing factor was the concentration of consumer purchasing power in the small white population. The last years of the federal period saw a very low rate of growth in this section averaging about 5% a year from 1970 to 1964.

The expansion of Rhodesian manufacturing capacity is attributable to the perception of some potential investors that while the per capita income was low relative to that of other Western countries, it was higher than that of many countries in the early stages of development. In the phase of expansion British and South African capital were instrumental and these foreign sources as well as others dominated in the larger concerns of the manufacturing sector. These larger companies, representing 4% of the total, in this sector produced some 50% of the gross output of manufacturing in 1966.

An important consequence of UDI and sanctions was that exchange controls were placed on the repatriation of dividends and capital by foreign firms. Therefore they had to reinvest in the domestic economy and many of these diversified their holdings significantly and this diversification in investment patterns was reflected in a diversification of

domestic manufacturers: most particularly in the direction of import substitution (manufacture domestically of those goods which hitherto had been imported). "By 1968 Rhodesia was manufacturing items of heavy industrial equipment that a few years before would have been considered out of the question." AHSR p. 315.

In addition to exchange controls for foreign investors there was the control of imported materials or equipment needed to establish new enterprises or to expand existing plants. Requests were processed the Industrial Projects Committee of the Ministry of Commerce and Industry. Additionally new industry was granted (by the Industrial Tariff Committee) tariff protection similar to that afforded infant industry.

In the first year of sanctions there was a 10% drop in manufacturing but thereafter the rate of growth to 1973 was high and accelerating. In spite of import substitution by 1973 the import content of domestic manufacturers was still about 25%.

The limited size of the domestic market defined the low average size of plants in manufacturing. Sixty percent of 1,240 firms reporting in the 1971 census had no more than fifty employees each. And only 12 (1%) had more than 1,000 employees, and forty-eight (4%) had more than 400. (AHSR, p. 317). After UDI 65% of the list of manufactures

(2,472 items) were produced by only one firm each. This monopoly (according to AHR) affected the quality of products and prevented the realization of economics of scale which would have led to lower prices. The government's reasoning was that the market was too small to support competing products.

### Energy

AHSR notes that because the prime target of sanctions was energy imports, data for them have been unavailable since 1965. In that year Rhodesia had a limited dependence on oil and therefore this commodity was not a good target for sanctions. Mining and manufacturing are dependent mainly on coal and hydroelectricity. Though transport and agriculture machinery are heavily dependent on oil, cheap labor allowed some substitution in agriculture.

The geographic concentration of manufacturing 1971  
Amount of production taking place in various states is

48.1%	Salisbury
27.4%	Bulawayo
8.5%	Que Que-Redcliff
4.3%	Gwelo
3.1%	Umtali

The Tribal Trust Land Development Corporation (TILCOR) was established in 1968 to initiate manufacturing industries in African rural areas. By 1971 only two had been started:

one in Seki which is near Salisbury and one in Zimunya near Umtali. Three irrigated farm projects were also initiated under this project. In 43 months the project absorbed R\$2 million in government grants and R\$1 million in private investment. However, these projects generated a very low level of employment.

The Rhodesian economy's dependence on hydroelectricity was underlined when power sources were diminished significantly in 1973 with the droughts of the Zambezi and Kaufe rivers. The Kariba North Project (which was to have separated the power sources of Zambia and Rhodesia) was delayed from 1974 to 1975. And therefore, a power shortfall was predicted for 1974. It was predicted that Kariba North would supply the country's needs until mid-1977 or mid-1978. After that another major increase in power capacity would be needed.

### Labor

Most of the data in this section was calculated by me from the Rhodesian Statistical Abstract for 1976.

According to AHSR the net annual addition to male population is 38,400 potential. In order to effectively absorb these new entries the net rate of increase of employment would have to be 5.8% per annum. However, most of

of the growth in productive capacity was mainly in the form of capital intensive equipment.

Obviously not only the foreign policy implications of a U.S. assistance program to Zimbabwe but the very design structure, objectives and implementation of such a program are dependent upon the state of the Rhodesian economy. Of significance here is the impact upon Rhodesia of sanctions; for the internal strengths and weaknesses, the external links broken and forged during sanctions and the financial and other obligations incurred during UDI are inextricably tied into both Zimbabwe and U. S. economic and foreign policy, and therefore into "broad State Department policy and aid administration policy.

#### Current Situation

1. Imports were cut to bare essentials in the past 18 months.\*/ Hopes for the year are that with increases in prices for primary products there will be a large trade surplus. Possible impediments to a realization of a trade surplus include a shortage of skills, cost of extended military buildup, the high level of white emigration and transport.

2. The Mozambique border was closed on March 3rd and now

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\*/ This analysis is taken from -----, "Vorster's Baby", the Economist, ppl 73-74 ( 1976).

all exports must go through South Africa (there are two routes: Rutenga0Beitbridge or via Botswana) -- Rhodesia can get its exports to the border but South African ports and railways are struggling to handle traffic. Problems are:

- a large maize crop has to be moved
- Mozambique took many railway wagons (cars) when it closed the border,
- unfavorable balance of traffic, that is more traffic goes South as exports and with Zairean copper that is coming back, meaning that trucks have to make the journey empty.

3. The estimated recovery of the Rhodesian economy in the next 18 months after 0.7% fall in real gross domestic product last year is that GDP will show a marginal rise in 1976. The recession which started last year appears to have reached its low and growth is not expected particularly in mining and farming (first 5 months of this year farming rose more than 40%). The problem remains to get exports to the market.

4. Whites are said to be leaving because of concerns about the economic situation as well as the guerrilla war.

#### UDI and the Impact of Sanctions

The impact of the imposition of sanctions on the Rhodesian economy was manifested in the following ways: an expansion of the governments control over every aspect of the economic-domestic and foreign affairs; a shift in the

composition of exports and imports as well as trading partners; a dramatic change in the relative importance of the agricultural and manufacturing sectors.

Kapungu (p. 75) \*/ notes that to have been effective -- that is, to have some impact on the level of European employment -- sanctions would have had to be directed against the manufacturing industry and the wholesale retail industry which made the greatest contribution to the GDP. His reasoning is based on the belief that the importance of the ability to the domestic economy to sustain itself throughout the period of the imposition of sanctions. While manufacturing and wholesale retail industry earned only 25% of the export market most production from this sector was domestically consumed. Kapungu concludes that the only way for the sanctions to have been effective -- to have resulted in a political as well as an economic weakening of the regime -- internal sanctions would have to have been applied. Such sanctions would have had to be undertaken by an internal African opposition which had been effectively eliminated by the government by 1965.

The Rhodesian government estimated that for a seven year period 1965-72 average annual rate of growth had been 6.5% representing a moderate improvement over the average rate achieved in the first half of the 1960's. AHSR concludes that sanctions had not been a complete failure although they

had been considerably less effective than initially anticipated by the British authorities. The aid of South Africa and Portugal were invaluable in sustaining the economy through sanctions. Other factors contributing to its survival were: basic strength and resilience of the economy; effectively conceived program of Rhodesian government counter-measures; support of white Rhodesian businessmen and lack of support for the sanctions by the international business community.

In short sanctions:

- possibly strengthened the economy
- "improved the structure of the economy (though not its size) by reducing external dependence - forcing attention on to domestic goods sector and on to import substitution in general"
- "provide a stimulus for diversification and a necessity to develop capital goods, industries, particularly steel production, construction, and metal-working."

UDI and sanctions caused about a 14% worsening of the terms of trade for Rhodesia, mainly attributable to higher import costs.

Although GDP fell about 4% in real terms just after UDI, moderate growth resumed rather quickly and hit about 10% in 1969 and 1970.

An effect of lifting sanctions might be to improve terms of trade; since Southern Rhodesia could buy from the cheapest source.

At the time of the imposition of sanctions the Rhodesian economy was thought vulnerable because it was to a large extent dependent upon foreign capital, its exports were over half of its GDP and its imports were even more than half of the GDP. But the regime in effect nationalized or "rhodesianized" (Stoneman 26) most foreign capital without compensation. It also substantially reduced its exports and its imports. It was also fortunate because of the diversification of its foreign capital. Although there was "significant domestic capital" in Rhodesia before UDI, domestic capital during the sanctions period "has been strengthened absolutely relatively to foreign capital in some sectors." (Stoneman p. 25). Whereas before UDI Rhodesian capital may be said to have been wholly a creation of world capital, it began to develop its own internal resiliency under sanctions even considering the significant external capital input of capital during this period.

\* NOTE: For a more detailed discussion of UDI and the Impact of Sanctions, please see Appendix I.

## Population Facts

According to the Monthly Digest of Statistics (July 19, 76) published by the Central Statistical Office in Salisbury, the total population of Rhodesia as of the end of 1975 was 6,420,000. This was divided as follows:

Africans	5,110,000	(95%)
Europeans	278,000	(4.3%)
Asians	10,000	(.15%)
Coloureds	20,000	(.32%)

At a population growth rate of 3.5% overall, about 225,000 people will be added to the Rhodesian total. It is generally said that the yearly number of newborn African babies equals the total white population. Ninety-five out of every 100 person in Southern Rhodesia is African. Rhodesia, however, is losing whites through emigration, especially in the recent months as the economy has slowed and the guerrilla war has heated up. The exact figures are unavailable, as the Rhodesian government considers migration to be a highly sensitive subject, but it is reported to be in the neighborhood of 5,000 net emigration thus far in 1976 as compared to 1,500 net for the same period last year.

Of the four population groups in Rhodesia, the Asians are the most urbanized (91% of all Asians live in cities or towns), followed by the Coloureds (83%) and the Europeans (82.2%). Least urbanized are the Africans: only 16.6% of them are urban dwellers. The overall urban population of Rhodesia is 19.7% of the total, that is 1,264,000 persons.

The four largest cities in Rhodesia are Salisbury, Bulawayo, Gwelo and Umtali.

In Salisbury, blacks constitute 75% of the city's population, whites are 22%. Coloureds there are 1.2%, and the Asians comprise .8% of the total of 569,000.

In Bulawayo, (total population of 340,000) the blacks are the predominant group being 79% of the population. The whites are only 17%, the coloureds 2.2%, and the Asians .8% of the population, respectively.

In the city of Gwelo (total population of 64,000) Africans are approximately 83% of the total, but whites are only 14%. Coloureds are 1.5%, and Asians .6% of the population.

As for Umtali, on the Mozambique border (total population of 62,000) the black percentage is 82%; and the white percentage is 16%. Both coloureds and Asians constitute about 1% each in Umtali.

The majority of Zimbabweans are from the Shona people with the other group Ndebele people strictly constituting 1/6 of the African population, although about 30% are said to be Nde bele-speaking.

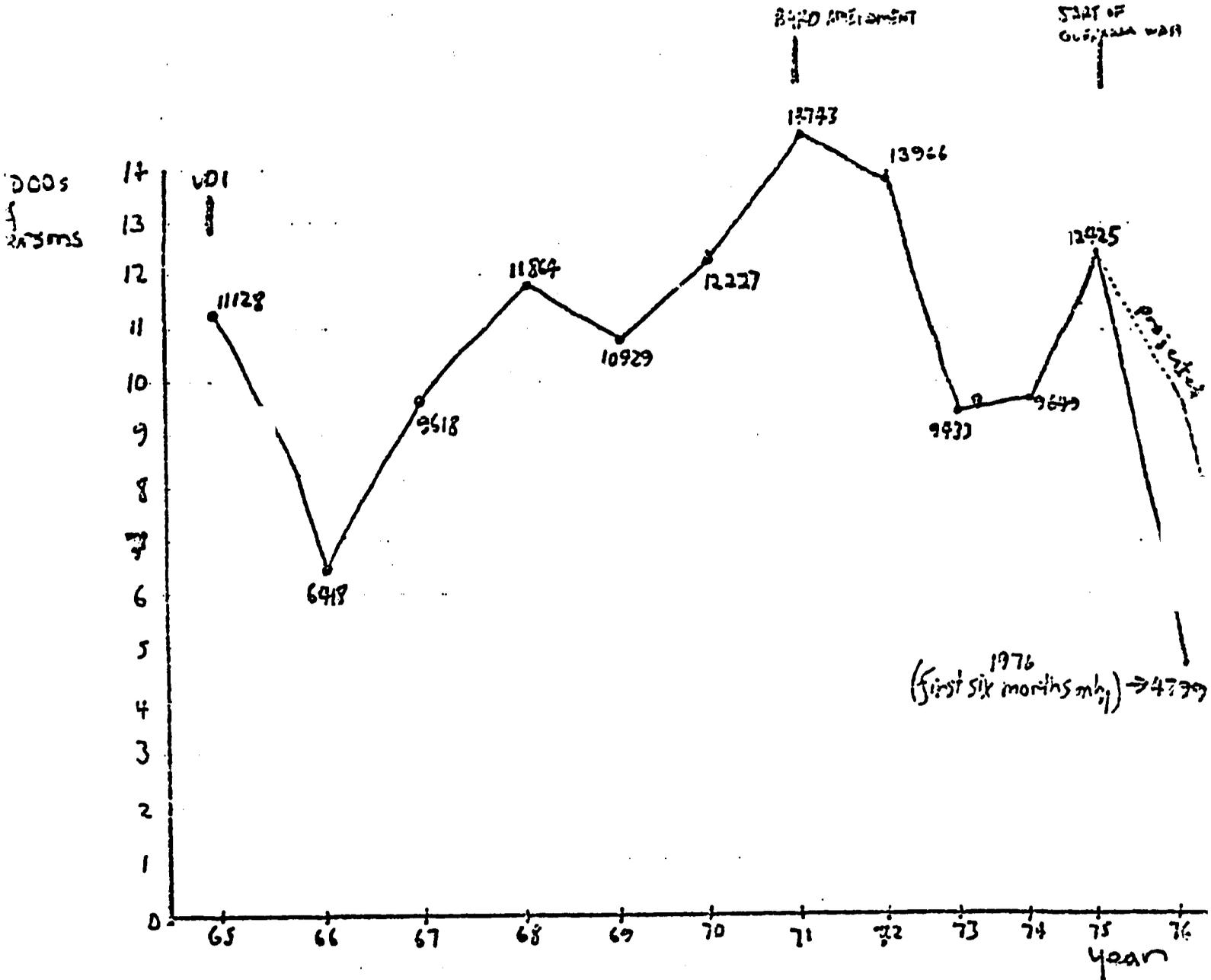
Because only about 40% of the whites in Rhodesia were born there, immigration has always been encouraged by the Rhodesian government as the main means to increase the white population. Whites constitute less than 5% of the total population of the country, and almost half of the adult white population was born in either Great Britain or South Africa.

In general, the entire white population is of recent residence in Zimbabwe. Unlike South African where white roots go back several hundred years, even those in Southern Rhodesia who arrived prior to World War II, were at best turn of the century arrivals. Essentially, whites in Rhodesia are immigrants. In addition, according to the 1969 census, 55% of those born outside the country arrived in the period 1945-1960, and have therefore been residents of Rhodesia for a very short time.

White population growth has been a post-war phenomenon. This has been occurring while most other countries in Africa have been losing white populations. The varying flows of whites to and from Rhodesia in the post-war period has increasingly been a function of the health of its economy and the military situation, (both of which are deteriorating). By contrast, only about 7% of the Africans were born outside Rhodesia, with almost half of these coming from Malawi, attracted by work in the mines. Almost all of the Asians and coloureds were born in Rhodesia.

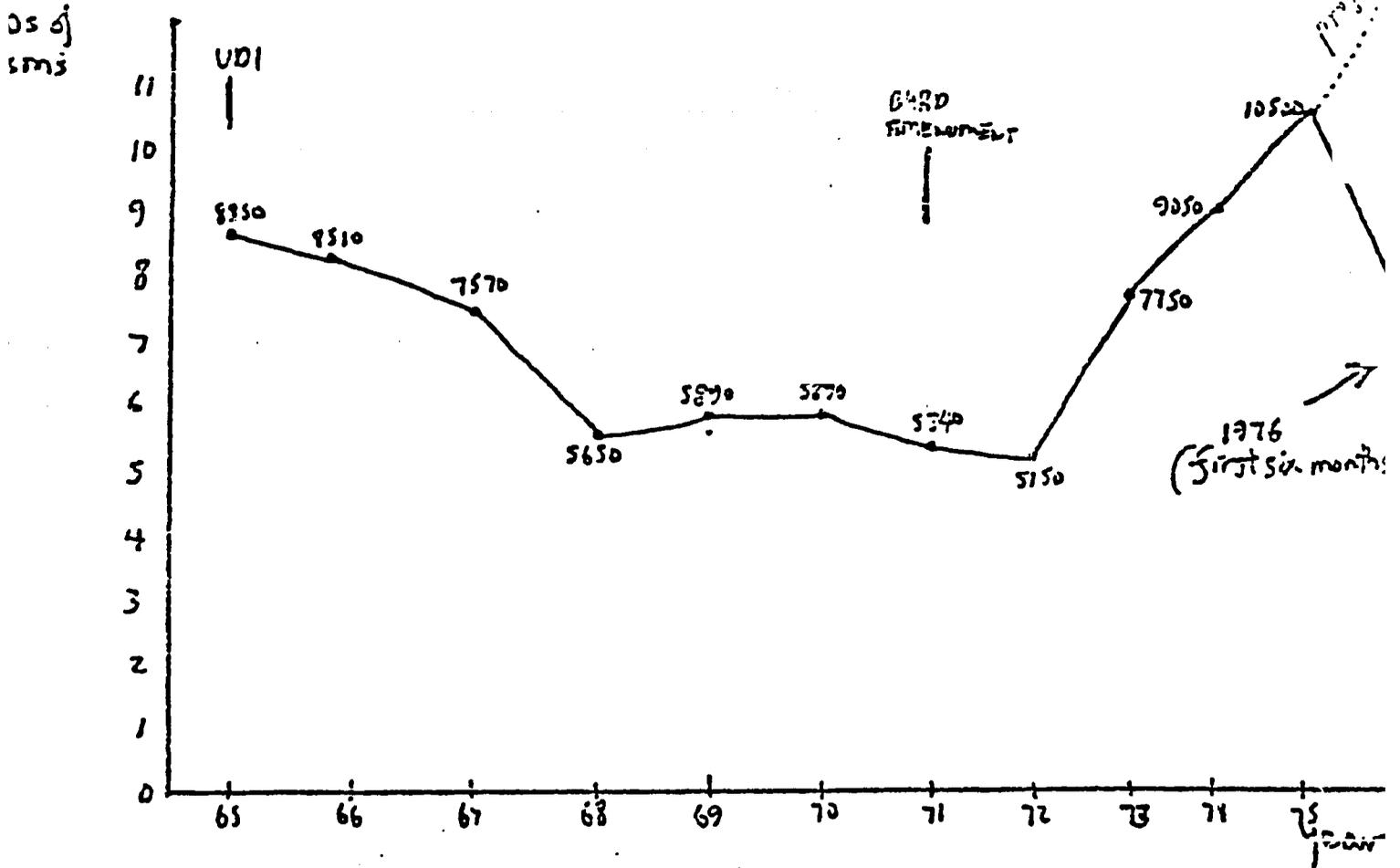
The Senate Foreign Relations Committee Report "The Pol-Eco. Crises in Southern Africa" estimates the flight of whites from Rhodesia presently at about 1,000 a month. It notes that whites coming into Rhodesia from black-led Angola and Mozambique have "largely compensated for the loss." It seems

reasonable to assume that as the guerrilla struggles step up, Angolan and Mozambiquean whites will decrease their immigration to Rhodesia; and also that Rhodesian whites fleeing the country will increase. The Rhodesian government earlier this year set restrictions on the amount of money the whites could take with them when leaving the country for vacations (R\$300) and for good (R\$4,000). To whatever extent, this was an effort to stem the rising rate of white emigration, this program has evidently not been a success. The substantial cut in holiday and travel allowances took place in the Rhodesian budget. This was needed to save foreign exchange. The large emigration rate is eventuating in a large and rising deficit on invisibles in the Balance of Payments. The emigration allowance was cut by 80% from U.S. \$8,000 per family to \$1,600 and the holiday allowance was decreased from \$640 to \$400 -- estimated savings of approximately \$50 million.



WHITE IMMIGRATION TO RHODESIA 1965-76

Section Two - Population Facts

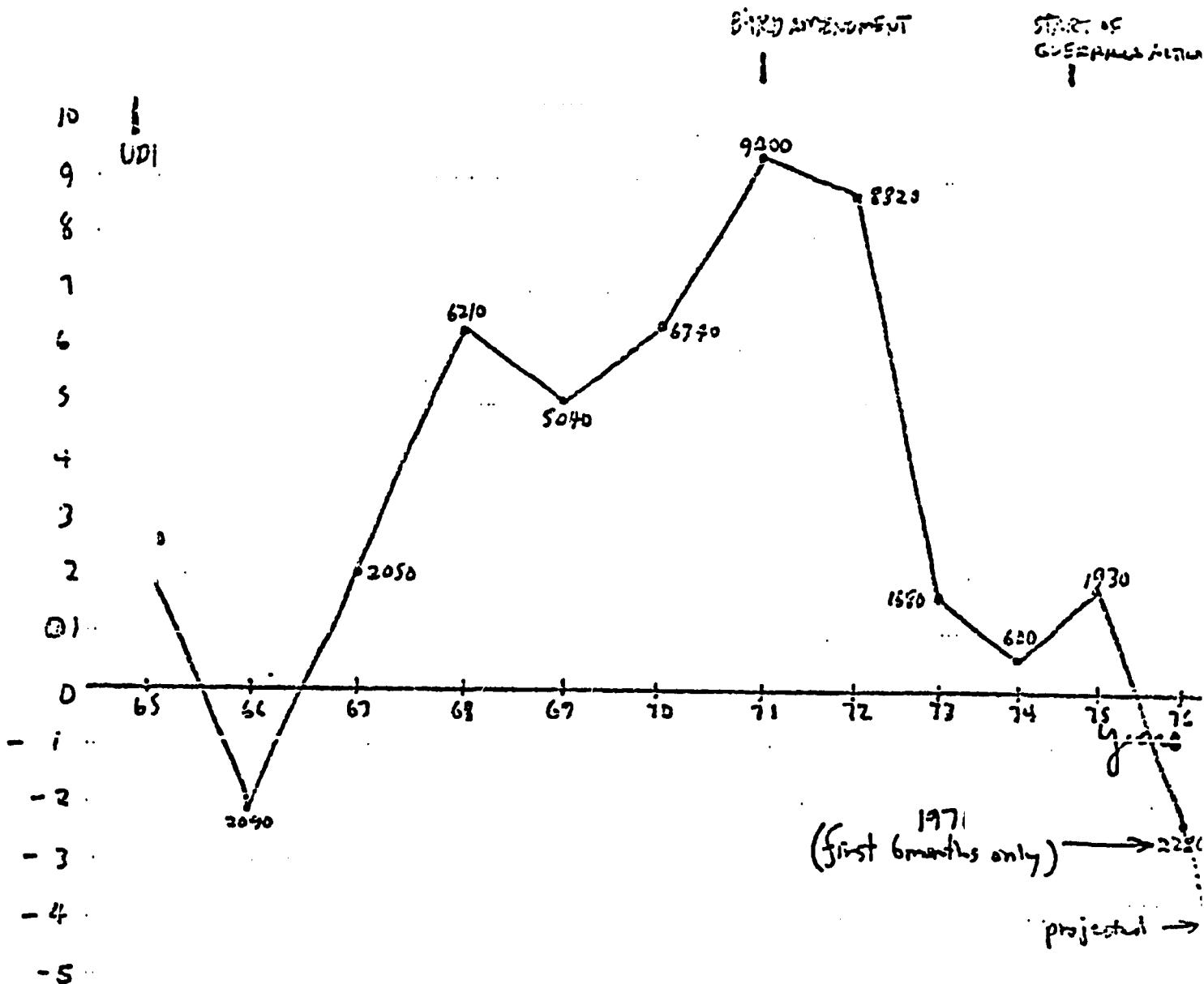


WHITE EMIGRATION FROM RHODESIA 1965-76

STATISTICS  
- MONTHLY DIGEST OF STATISTICS RHODESIA JUN

Section Two -

Population Facts



NET WHITE MIGRATION FOR RHODESIA 1965-76

Economic Relationship with Rhodesia

Main Trading Partners, 1965 (Percent of total)

<u>Domestic exports</u>		<u>Imports</u>	
Zambia	25.3	UK	30.4
UK	21.9	South Africa	22.9
European Countries	16.5	European Countries	15.2
South Africa	9.0	USA	6.8
Japan	5.2	Japan	5.5
Malawi	5.2	Zambia	3.6
USA	2.4	Australia	2.2
Congo	1.2	Malawi	1.2

Since UDI, sanctions have radically reduced Rhodesian trade. All OECD\* countries (except Portugal and Switzerland) reduced direct trade substantially. Trade with Malawi has continued, and this is attributed to Malawi's close dependence on South Africa for economic survival. Both imports and exports with South Africa increased as a result of the sanctions. Since 1972, Rhodesia has not published accurate levels of its imports and exports.

Estimated Rhodesian Trade With South Africa\*\*

(\$ million)

	<u>1965</u>	<u>1968</u>	<u>1969</u>
Imports	78 = 23%	150 = 52%	155 = 26%
Exports	41 = 10%	80 = 34%	85 = 29%
	<u>1970</u>	<u>1971</u>	<u>1972</u>
Imports	160 = 49%	170 = 43%	165 = 40%
Exports	95 = 27%	90 = 24%	100 = 20%

Trade treaty negotiated with South Africa which provides quotas for manufactured exports to the market and return.

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\*Organization for Economic Coop. and Development

\*\*Source: UN Sixth Report Security Council in Pursuance of resolution

Economic Relationships with Rhodesia

One problem relates to the economic inter-relationship between the U.S., U.K., South Africa, Mozambique and Zambia with Southern Rhodesia. A primary concern is in economic terms what impact these countries have on Southern Rhodesia now, and may have on Zimbabwe.

United States

U.S. investment in Rhodesia at Unilateral Declaration of Independence (UDI), November 11, 1965, was between 45-55 million dollars; since then their investment in the area has been "frozen." For the first seven months in 1976, the U.S. imports from Rhodesia was as follows:

Chrome	\$ 369,404
Chrome (different grade) (C)	369,219 (\$ thousands)
Chrome (46% or more chromic oxide)	650,241
Ferrochrome	
(less than 3% carbon)	7,098,721
(more than 3% carbon)	4,523,082
Ferro silicon chromium	4,897,912
Unwrought nickel	5,913,787

These figures indicate present dollars spent to purchase chrome and nickel, and it is estimated that the desire for Rhodesian chrome will gradually increase.

U.S. interest in Rhodesia is based primarily on its dependence and need for mineral resources. Listed below are the major mineral commodities found in Rhodesia:

(Thousand metric tons)

	<u>Share of World Total Resources</u>	<u>Reserves</u>
Asbestos	10%	5,000
Chromite	20%	560,000
Coal	1% approximate	2,000,000
Copper	1% approximate	600
Gold (thousand troy oz)	1% approximate	20,000
Nickel	1% approximate	700,000

Chromium is of major importance in the stainless steel industry, where the bulk of chromite is consumed. Following is a list of six major companies and their plant locations. These companies are intricately related to the steel industry, which uses tremendous amounts of chromite:

<u>Producer</u>	<u>Plant Locations</u>
Union Carbide	Marietta, Ohio; Alloy, West Virginia; Niagara Falls, New York
Air Reduction	Calvert City, Kentucky; Charleston, S.C.; Niagara Falls, New York
Foote Mineral Ohio Ferralloys Chromium Mining and Smelting Interlake Steel	Steubenville, Ohio Philo, Ohio  Woodstock, Tennessee Beverly, Ohio

Union Carbide owns two Rhodesian mining corporations -- Rhodesian Chrome Mines, Ltd. Also, it owns a smelting company in Rhodesia -- Union Carbide Rhomet. Carbide also has other diversified interests in Rhodesia, but refuses to release any dollar value of its investments.

Since there is no known substitute for chromium in stainless steel and the U.S. is totally dependent on imports, Rhodesian chromium will continue to flow into U.S. ports. This dependence seals the economic interest between Rhodesia and the U.S.

U.S. consumption of primary chromium is expected to increase at an annual rate of approximately 2.3% through 1985. Since existing stockpiles cannot meet this demand, imports will be required. It is believed that Rhodesia will continue as a source for chromium.

#### Asbestos\*

The U.S. is dependent on foreign sources for 90 to 93 percent of its requirement for all grades of asbestos. Following the United Nations' embargo of Rhodesian products in 1967, most asbestos from Rhodesia disappeared from U.S. markets,

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\*/ Source: Bureau of Mines Minerals Yearbook, 1973.

but by 1973, significant amounts of Rhodesian asbestos were appearing at U.S. ports. In 1973, 167 tons valued at \$423,478 were exported to the United States. Rhodesia is a principal source of low-iron, spinning grade chrysotile asbestos. She is endowed with 20% of the world's total share of asbestos.

This crude asbestos is considered the best grade, and almost half of the resources of this type asbestos is found in South Africa and Southern Rhodesia. In 1973, Rhodesia supplied more than 14% of U.S. demand. Demand is expected to increase at an average rate of about 4% through 1980. This asbestos is important because of its resistance to heat in protection materials.

#### Petalite

Prior to the U.N. sanctions against Rhodesia, and the U.S.'s adherence thereto, virtually all imports of petalite came from Rhodesia. This mineral is lithium-bearing and increases the durability of ceramics and glass. Demand for this commodity is expected to increase at a rate of about 6% through 1980.

#### United Kingdom

The UK traded openly with Rhodesia prior to UDI, and after the United Nations imposed economic sanctions, the trade situation became obscure. Members of the Conservative

Party and the House of Lords strongly opposed the policy of sanctions. Data shows that the UK was the biggest trade partner with Rhodesia in 1964 and 1965.

Presently no accurate data is published in the UK on actual trade patterns between the two countries.

### South Africa

South Africa took no measures to implement provisions of the United Nations' sanctions against Southern Rhodesia in 1968. Instead of trade relations weakening between the two countries, indications are that they grew stronger. There are no reliable data available on trade relations between South Africa and Rhodesia, but estimates are that they are substantial. South Africa supplies Rhodesia with most of her oil, and her port facilities are crowded with Rhodesian goods. Rhodesia is landlocked, and must use port facilities of other countries in order to survive. The surrounding Black African countries have closed their rail and port facilities to Rhodesia; consequently, she must now rely on South Africa to handle incoming and outgoing supplies. This considerable traffic has caused tremendous strain on the already burdened South African facilities.

South Africa is the most technologically developed country in Africa. It is not surprising that Rhodesia is highly developed, since much of the investments in South Africa

extend to Rhodesia. Many of the foreign firms operating in South Africa have subsidiaries in Rhodesia.

In the final analysis, South Africa's apartheid system enables the Rhodesian system to exist.

South Africa refuses to release data on its trade patterns with Southern Rhodesia, but estimates are that they are substantial.

### Relations with Neighbors

While Mozambique was under Portuguese rule, Rhodesia freely utilized the Mozambican seaports of Beira and principally Maputo (formerly called Laurencio-Marques) for imports and exports. Mozambique, therefore, became an extremely important link in Rhodesia's economy as Rhodesia is landlocked.

Primarily the economic impact of Rhodesia's relations with Zambia and Mozambique is in the area of transportation. Two of Rhodesia's principal rail links from its mineral belt, the Great Dyke, lead into Mozambique. Another leads into Zambia. Rhodesia's remaining two railroads connect with Botswana and most recently (1975) South Africa at Beit Bridge.\*

Rhodesia's transport links to the outside are severely restricted. As the country is landlocked, it must depend on railroads and highways to transport exports and imports

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\*/ U.S. Bureau of Mines.

such as much-needed petroleum, which comes principally from the U.S. and the Netherlands.

In 1973, as a result of political disputes, Rhodesia closed its border with Zambia to the north which is also landlocked. This action closed the principal route used by Zambia for commerce. However, despite considerable difficulty and expense, Zambia has developed alternate trade routes for its commodities through Dar es Sslaam in Tanzania and Mombasa in Kenya and most recently Lobit, Angola. The completion of the Tan-Zan railroad is also expected to assist in resolving Zambia's transport problems but inadequate facilities at existing ports may continue to impose constraints.

In March 1976, Mozambique closed its borders with Rhodesia, thereby cutting off roads and the two main routes used to transport Rhodesian goods to seaports. In 1974, the Mozambican ports of Beira, and Maputo handled about 80% \*/ of Rhodesia's mineral imports and exports and some 75% of trade in all commodities. \*\*/

With the closing of the Rhodesian-Mozambique border, direct Rhodesian traffic to the ports ceased. However, the

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\*/ United States Bureau of Mines.

\*\*/Ntete, C. Munhamu Botsio., "Detente in Souther Africa", Black World. Vol. 24, No. 7, May 1975.

Mozambique Convention, signed by the Portuguese Colonial Government and the Republic of South Africa earlier this century, contracts the use of the port facilities at Maputo by South Africa til the end of 1976. As most of Rhodesia's exports are not transported through South Africa, it is quite reasonable to surmise that a significant portion, if not the bulk, of Rhodesia's commodities are being indirectly routed through the Mozambican port. This situation may not persist for an extended period because it has been implied that the Mozambican Government intends to close the Mapute facilities to South Africa at the end of 1976 when the Mozambique Convention expires.

The closing of borders by Rhodesia's neighbors has severely limited its economic lifelines. The white settlers cannot absorb all of Rhodesia's production. The Black population cannot afford to purchase the commodities. Rhodesia must export goods to support internal production. On the other hand, the country lacks certain necessary ingredients for production, such as petroleum and parts and some foodstuffs. These must be imported from external sources.

Two railroads, one to Botswana and one to South Africa, and three highways also to Botswana and South Africa provide the only remaining method of ground transport. The highways are slowly becoming too dangerous for transport as guerrilla

activity along the road is succeeding in closing these vital links to the outside.\*/

In addition to direct closing of transportation lines, it has been said that Zimbabwean guerrillas are being sheltered just across the Zambian and Mozambican borders. These guerrillas, by staging hijackings and sabotage raids have slowed the productivity of Rhodesian industries and hinders internal regional transport also.

The cooperation among Rhodesia and the colonial territories of Northern Rhodesia and Portuguese Mozambique supplied a history of Rhodesian exploitation of the neighboring territories to improve its own economic situation. As a result of the depth of the conflicts between Rhodesia and Zambia and Mozambique, any cooperative economic or political activities are highly unlikely unless Rhodesia completely revolutionizes its position against Black majority rule and ends its oppression of the Black population.

It is expected that Zambia and Mozambique will persist in the economic isolation of Rhodesia. It is also expected that if Black majority rule is not achieved within a reasonable interval, perhaps by the end of present negotiation attempts, the guerrilla movement within Rhodesia will receive in addition to tacit support, physical assistance from not only the front-line nations, but also other concerned nations in the African community.

\*/ Wright, Robin, "Rhodesians Move in Armed Convoys to Thwart Ambushes", The Washington Post, October 3, 1976, p. 22

The position of the United Kingdom in Rhodesia has diminished substantially from the period of pre-UDI. Officially, British relations with Rhodesia have been less than friendly. The United Kingdom views the Rhodesian government as illegal and has taken action by way of United Nations sanctions against Rhodesia. Stringent financial restrictions on capital transfer and current payments have been imposed. The Rhodesian Government thus, left without assets to back currency and little access to foreign exchange, was forced to issue "Independence Bonds" to attempt to assuage the rapidly growing public debt.

Although British corporations still operate in Rhodesia, and have played a significant part in the development of the Rhodesian economy, these corporations are not at the present operating as a major bulwark for Rhodesia. The weakening of the British domestic economy, the value decline of the pound and its growing trade deficit have required much of Britain's effort to remain at home. And in view of global recession and only the most pallid signs of economic recovery, there is little reason to believe that the British situation vis-a-vis Rhodesia will change in the future.

The Republic of South Africa is, however, another story. As Rhodesia's affiliations with other nations around the world were severed first by UDI in 1965 and then the imposition of UN economic sanctions against the Rhodesian government in

1966 and 1968, bonds between the Rhodesian government and South African governments seemed to cement. Corporations active in South Africa spread production activities into Rhodesia. South Africa became a willing market for Rhodesian exports and moreover, acted as a conduit for goods to and from nations not wanting to break UN sanctions by direct trade with Rhodesia. In times of hardship, South Africa has loaned economic assistance although figures on the amounts are not made public.

It is therefore, because of this truth that the greatest significance of U.S. policy toward Southern Africa comes to light.

The implications of Rhodesia's economic relationships are far reaching with regard to U.S. foreign policy. In spite of attempts within this paper to highlight ties between the United States and Rhodesia, more broadly, Southern Africa as the region has played an integral part in the development and success of the Rhodesian Government, this does not even represent the tip of the iceberg. Economic information concerning U.S. trade, corporate interests, economic and military assistance to the region is held by the Department of State and other agencies handling such information and requires special security clearances in order to obtain details. However, it is evident that the U.S. has extensive economic ties with the two areas ruled by white settler regimes, Rhodesia and the Republic of South Africa.

This present governmental interest in Southern Africa might be seen as assisting businessmen attempting to protect their own vested interests.

### Liberation Movements

There are several liberation movements in and around Rhodesia working for the establishment of majority rule there.

ZAPU was formed by Joshua Nkoma in 1961, as a successor to the Southern Rhodesia African National Congress (SRANC), the City Youth League (CYL), and the National Democratic Party (NDP) all of which were banned. After ZAPU was banned in 1964, it went underground in Rhodesia and organized an external office in Dar-es-Salaam to direct operations. Its conflicts with ZANU have considerably weakened it.

ZANU broke away from ZAPU under the leadership of Herbert Chitepo and Rev. Ndhbaningi Sithole in 1963. His base of support was formed mainly by Shona ethnic groups. When Sithole was interned in 1964, Chitepo took over, and established ZANU first in Dar-es-Salaam, then in Lusaka, Zambia, starting in 1966. Chitepo was killed early last year (March 18, 1975).

FROLIZI entered the scene in 1971 having been formed as a result of members being fed-up with the leadership struggle between ZAPU and ZANU. James Chikerema and George

Nyandorr were the leaders of this group. FROLIZI, as a splinter group, never really gained a large following, and seems to have faded out of the picture lately.

ANC in Rhodesia originally was formed not as a liberation movement, but rather as a group to negotiate the new proposed Rhodesian constitution in 1971. The ANC was more than half composed of ZAPU members, but all factions agreed to the leadership of Bishop Abel Muzorewa. The ANC later fell apart as internal struggles continued, but in December 1974, the groups again united under the ANC umbrella for these goals: (a) "To continue the struggle until liberation had been achieved" and (b) "to prepare for any constitutional conference which would establish a system allowing the equal political participation of adults." At the time, the OAU recognized the ANC as "the sole representative" of the Zimbabwean people's will. The ANC again split up in 1975, after the assassination of Herbert Chitepo, and the subsequent detention by the Zambian government of large numbers of ANC members.

ZIPA (The Zimbabwe People's Army) was formed after the Tribune of the 1974 talks between Smith and the liberation movements. Constituting ZIPA are main elements of the old ZANU and FROLIZI, and a smattering of ZAPU members. Headed by a joint ZAPU/ZANU Command, the ZIPA, operating from Mozambique mainly, has carried the brunt of the guerrilla war in 1975-76 against the whites.

### Support By Zimbabweans

ZAPU is supported by mostly Ndebele groups, and ZANU by Shona groups. Within ZANU support is strongest from the Karangi tribe led by Joseph Tongogara. Sithole receives support from the Maynikas, which was Chitepo's tribe. ZAPU's members may generally be said to include more young people who are urban - though Nkoma draws support from both rural and urban areas. Many Ndebele are said to have stayed steadily with Nkoma.

The divisions within the various liberation movements have often been over emphasized by the Western press, especially along tribal lines. The tribal rivalries are not as important, however, as the personality conflicts among the leaders of the several factions. These stem from a strong difference of opinion among the leaders as to the tactics and approaches to be used in the armed and political struggle against the Smith regime, rather than from deep-seated ethnic conflicts.

A basic problem here focuses upon the relative positions of the U.S. and the Soviet Union with respect to the liberation movements. The United States has no working relationship with the movements. However, there is a long history of support by the Soviets for ZAPU and possibly Nkoma, although the connection between Nkoma and the Soviets and his present acceptability to them is one for further study.

Any foreign policy study has to consider the possibility of civil war (as in Angola), in Southern Rhodesia. In this connection several questions arise.

- The whole question of which movement has mass support in Zimbabwe?
- What, if any, is the effect of the United States intercessions with respect to the possible development of civil war between the groups.
- Another question relates to the understanding by Smith that the fighting would cease upon his acceptance of the settlement. Was there any understanding implicit or stated with Kissinger that the African states themselves would stop the fighting?

The leading party in Rhodesia at this time is the "Rhodesian Front Party", which is not a coalition, as it sounds, but rather the dominant political force in the white community there. The "Rhodesian Party", which might be called a moderate force in Rhodesian politics, won 20% of the vote in the last election, but no seats in the legislature. To the left of center is the "Center Party", which has no seats either.

In 1962, the Rhodesian Front Party (RFP) was formed by bringing together the Dominion Party, held by Ian Smith, and John Gaunt's Rhodesian Reform Party. The RFP came to power in December 1962, after promising to maintain discrimination

and to cut African influence in the electoral process. It defeated the United Federal Party leader, which campaigned on more liberal levels. The white voters had a clear choice - to move towards an end to white supremacy, or to sustain it - and the RFP won under the leadership of Winston Field, who became Prime Minister. The former Federation of Rhodesia and Nyasaland, under British prodding, broke up into Zambia, Rhodesia, and Malawi, Rhodesian politics moved steadily to the right.

Ian Smith, representing the hard-line group in the RFP, became Prime Minister in 1964. As the United Kingdom insisted on retaining some rights to power in Rhodesia under the 1923 Constitution, white settlers felt increasingly threatened. The UK at the time was transferring political power to the blacks in its other colonies in Africa, and it was believed that the British would try to force majority rule, or a transitional arrangement in Rhodesia.

Therefore, in November, 1965, Prime Minister Smith ended the colonial relationship with the U.S. by issuing the Unilateral Declaration of Independence (UDI), and purported to end the nation's status as self-governing colony. This happened 5 months after elections in which the RFP won all 50 seats in the Legislature; thus Smith was assured of political support.

The RFP's attitudes could be likened to those of the National Party in South Africa: white supremacist, hard-line, the siege mentality, etc. It is the most conservative party in the country, controls the legislature and the Executive, and reflects the views of the majority of the white settlers.

The Rhodesian Party is led by Timothy Gibbs, son of the former British Governor of Rhodesia. It favors a more rapid dismantling of the overt portions of the system of racial discrimination in Rhodesia. The RP, whose support is from sections of the business community (who have felt the effect of UN sanctions) is primarily based in Salisbury and Bulawayo. It was formed in the late 1960's and has tried to take a middle ground in the racial controversy that splits the country. Mr. Gibbs is a farmer, but an unusual one; most of his fellow farmers are much more conservative and are members of the RFP.

The Center Party, by contrast, is the only mixed-race party in Rhodesia. Led by Patrick Bashford, it advocates the complete end to racial discrimination and an early movement toward majority rule. Its constituency is tiny, and has been reduced by recent emigration by whites as the military and political situation has heated up. Generally, members of the Center Party have been the first to leave and the most ready to find unbearable the intransigence of the

policies of the RFP. Its base is also in the two major cities.

The RFP and its leaders exhibited in its 14-year history a record of complete, total and utter opposition to liberalizing reforms. The repressive measures that they have introduced, especially since UDI in 1965, are numerous. They have increased military spending threefold, putting great strain on the economy, already hurt by UN sanctions. They require military service registration at 16. Almost every able-bodied white person in the country is in the regular army or one of its adjunct citizens' para-military organizations. The almost complete ostracism imposed by the international community has fueled their feelings of isolation. The leaders seem to have gotten more militant as time goes on, and as actual attacks on white farms and settlers have increased. Prime Minister Smith has not only threatened to declare war on Mozambique, from which many of the guerrilla skirmishes are launched, but initiated the recent attack on refugee camps in Mozambique.

The Rhodesia Party or the Center Party could have a role in the politics of Zimbabwe.

#### Pluses and Minuses for Zimbabwe's Economy

The advantages of a post-sanctions, independent majority ruled Zimbabwe would include:

- improved trade relations with its neighbors,
- plus the potential for expanded markets for its goods,
- reduced costs of exporting its goods because sanctions avoidance behavior will not have to be implemented,
- the lower cost of shipping goods costs because of decreased middlemen costs attributable to the sanctions,
- accessibility to wider markets in the international community because of lifted sanctions,
- potential for an increase in tobacco production which was curtailed when Britain stopped imports of this product from Rhodesia.

Situations which could worsen in a post-independence Zimbabwe would include:

- white flight - which, though to some extent inevitable, will worsen the relative position of the country if most of the trained manpower leaves. This includes manpower from industry, mining as well as agriculture, where extension services have not been effectively extended to blacks in the country. So here in addition to the reapportionment of land there is the problem of training Africans with more recent farm technology.
- the flight of capital and with it sources of employment:
- the extent of this problem might depend upon the type of political system inaugurated - one which nationalizes

private enterprise or leaves it relatively free to operate and repatriate profits. To a large extent such behavior will also depend upon the scarcity of the resource that a given enterprise uses in its production, and whether or not that resource can be obtained elsewhere.

A further problem for the new government will be the international community's perception of the prospects for stability or instability in the new nation. A peaceful transition to power with an interim government might give the country and its black majority the time to gain some of the necessary skills and experience to run the various sectors. Nevertheless, the question would remain as to how cooperative whites would be because by training blacks they would put themselves out of jobs.

In addition to the above mentioned problems, a new government will be faced with the problem of resource allocation to a black populace which has been denied its equal rights for so long a period of time. Will the new government be capable, or interested in meeting all of the demands that will be made upon it? From whom and what will the demands be made?

Another consideration for a new government will be the repatriation of Zimbabweans who have been exiled from the country for the duration of the illegal white government's tenure.

These returnees might, while bringing needed skills, present an additional strain on resources.

### Economic Prospects for Zimbabwe

Following UDI, the Rhodesian economy began rapid expansion and development. Economic sanctions by the United Nations at Britain's request halted trade with former sources of imports and markets for exports. It was necessary for Rhodesian industries to diversify rapidly to provide some of the many goods that were formerly imported. Agriculture was strengthened and new industrial activity was stimulated. As a result, the economy to be inherited by Zimbabwe is fairly well rounded and self contained. In spite of the greater development of the Rhodesian economy as compared to other African nations at independence, Zimbabwe will be faced with several potentially difficult problems.

Zimbabwe's economic situation hinges on several major factors including: (1) financial encumbrances assumed by Zimbabwe, such as public debt of the national and local authorities pre UDI; the same post-UDI; private debt pre and post UDI; financial obligations of the UN from international organizations (including IBRD); obligations arising from blocked accounts during UDI; and, where these are assumed, terms of repayment; (2) status of central banking facilities

and currency linkage; and (3) the alacrity with which the independent Zimbabwean nation can gather persons capable of operating industry and directing the economy.

In 1965 when the white settler regime of Rhodesia declared its unilateral independence from Great Britain, Rhodesia reneged on its international debts incurred prior to UDI. This included debts resulting from loans from the United Kingdom and the World Bank. Great Britain acted as a cosigner for the World Bank loans and was thus liable for the repayment. It is as yet unknown whether an independent Zimbabwe will be expected to make good these debts.

Expansion and support of Rhodesia's economy required infusions of capital not available from internal sources. Rhodesia, after UDI, sought this capital through loans from the external sources with which it maintained economic relations. The Rhodesian government has a considerable public debt. Although figures are not made public, it appears that a significant portion of the debt from these loans is owed to the Republic of South Africa.

At present, Rhodesian currency is not convertible internationally. The imposition of UN sanctions and financial boycott action taken by the United Kingdom caused Rhodesian assets in London to be frozen and Rhodesia's direct link with the pound to be severed. Since UDI, Rhodesian capital markets have been closely

linked with those of South Africa. However, the Rhodesian dollar, currently equivalent to about \$.62 U.S., is pegged to the South African rand, and thus is still indirectly related to the British pound.

Because of this situation, independent Zimbabwe will be faced with the problems of establishing a currency, selecting methods of backing which may be either gold or silver or fiduciary and building international confidence in the soundness of the new Zimbabwean currency. Close linkage with the capital markets of South Africa potentially could sap some of Zimbabwe's monetary sovereignty and thus its ability to employ freely its own monetary policy to assist economic management.

As in other newly independent nations in Africa, there has been little specific training of African personnel to operate, manage and maintain the various components of a developing economy in Rhodesia. It will be necessary for Zimbabwe to install capable or trainable personnel as swiftly as possible to minimize effects of change in political systems and reallocation of resources on economic productivity.

If independent Zimbabwe is burdened by enormous payments on debts incurred by the Rhodesian government, or remains bound to other economies by employment of an overwhelming number of foreign personnel, or by maintaining inequitable currency

### Land Apportionment

Understanding of the basic facts on agriculture and land apportionment in Rhodesia is necessary to the formulation of meaningful aid policy because of the significance of agriculture (1) to the country and (2) to the majority.

The facts on the farming potential of total land allocated to whites and blacks are a graphic illustration of an inherent policy problem area for any plan for aid either to encourage whites to stay in Zimbabwe to insure the value of their holdings or to compensate them upon their departure from the country.

The picture of the relationship of white and black farming land is illustrated in the attached charts. As regards distribution of the most fertile lands between the races, only 1/4 or 25.3% of the land allocated to the 95% African majority is suitable for farming, whereas almost 1/2 or 47% of the non-African area is natural farming region. The gravity of the situation is even more severe than that indicated by these figures since about 70% of the

linkages that unduly restrict internal development, there may be a very difficult time ahead.

Identification of Problem Areas Arising Out of Relationship  
Between Blacks and Whites

The basic problems confronting a majority ruled Zimbabwe are as follows:

1. Land apportionment
2. Agriculture - the relative position of blacks and whites in agriculture
  - although the number of white farmers is comparatively small their holdings are large and their land is the best agricultural land
3. Income Disparities
4. Employment
5. Rhodesian Financial Obligations
6. The sanctions economy
7. The racial climate of a free Zimbabwe
  - this really depends upon the conditions surrounding the transfer of power
  - one of these might be the exodus of the whites and how they leave the assets behind them; for if like the French Guinea there is a destruction of assets and files, etc. racial climate might be bad.

non-African area is European, and the other UNRESERVED LAND and NATIONAL LAND, is mostly non-farming area. A more specific breakdown shows that the Africans have less than 1 percent (.7%) of the land suitable for intensive specialized and diversified farming whereas the Europeans have more than twice this percentage (2.2%). The Africans have less than 10% (9.9) of the land suitable for intensive crop farming with subsidiary livestock whereas 25% (25.3) of the land in the non-African area is in this category. Although less than 15% (14.7) of the land in the African area is semi-intensive mixed farming with livestock dominant, almost 1/5 (19.5) of that in the non-African areas is in this category. The ratio of the land in the African area is unsuitable for agriculture is 1 to 20 (4.7%), whereas the land ratio in the non-African areas is only 1 to 50 (1.8%).

The land apportionment was enshrined in the constitution of 1969.

Where the farming is intensively specialized and diversified, representing the benefit of scientific assistance, the "whites" have three times the percentage that the blacks have. Again where the crop farming is intensified with subsidiary livestock the whites have 2½ the percentage of land held by Africans. Cultivation at this level of development, both the 5% white minority and the 95% black majority have about 45 million acres each. Only in the case of

semi-intensive farming where in fact livestock is dominant, do we have the whites with only  $1\frac{1}{3}$  of the percentage of such land. In this category, as compared to the Black's percentage, the percentage of the white holdings are  $1\frac{1}{3}$  that of the non whites for this category. In the case of semi-intensive farming with drought resistant crops, indicative of a lack of water or irrigation and a poor level of potential for a good yield, we find the percentages to be comparable with the whites having a percentage in this lower level land equal to  $\frac{5}{6}$  that of blacks.

Finally, if we consider land unsuitable for agriculture, the blacks have  $2\frac{2}{3}$  (almost 3) times the percentage that the whites have of worthless land. There is irony in these facts: The white percentage of excellent farm land is three times that of blacks, the black's percentage of land unsuitable for agriculture is three times that of whites.

It is clear that an independent government, that is a majority rule government will have to be concerned with the whole question of land distribution. Obviously, any system where less than 5% of the people hold an amount of land equivalent to that held by 95% of the people cannot survive once that majority comes into control. Further, the matter of acquisition, through expropriation and uncompensated consolidation, would be a basic element in the whole question of payment to the whites.

The strengthening of white domination over productive land and the maintenance of Africans in the position of a laboring class (ICJ) was a deliberate part of the Southern Rhodesian system. African land was expropriated and later consolidated by the Rhodesian land settlement legislation which provided for the allocation of land to whites ("Allocation of land by race") and the residential separation of the races.

Background: The Land Apportionment Act of 1930 led to the division of the country between blacks and whites. Native Reserves had been previously established by the British South Africa Company beginning in 1894 and 1895. Under the 1930 Act the territory was divided into four regions: (1) native purchase areas; (2) European areas; (3) forest areas; and (4) unassigned land. Mineral resources and major transport networks (e.g., railways and tarmaced roads), lands with good rainfall were confined to whites. Under this legislation Africans could not buy lands assigned to Europeans. This legislation included Asians and coloureds. Generally, Africans could not live in white areas. Whites could have resident black servants as long as that servant was in his employment and Africans could live on white owned land if they were attending an educational institution situated on white lands. (ICJ). Whites, however, could live on and purchase land owned by Africans for purposes of economic exploitation. The 1930 Act led to the severe crowding of Africans on "African Purchase" and "Tribal Trust" lands.

The Land Tenure Act of 1969 provided that 45 million acres allocated to whites and 45 million to blacks and 6 million were designated national land, occupation of which can be undertaken only with permission from government (ICJ. pp. 10-13). The "national lands" happened to be those where major tourist attractions were situated.

The best agro-ecological lands and the location of infrastructure are mainly in the European areas. Urban centers as well are situated further away from African than European areas. (G. Kay, Distribution and Density of African Population in Rhodesia, Hull University, Department of Geography, Miscellaneous Series 12).

Agriculture

The basic problem with respect to agriculture is two-fold:

- first, the proportion of land owned by whites; and secondly,
- the agriculturally favorable location of their lands also raises a foreign policy issue regarding U. S. assistance to whites in holding their agricultural lands or in helping them to preserve their value.

Africans and whites are as follows:

- in the African areas there is over-crowding, over-cropping and over-grazing.
- two-thirds of the African population live mainly on the Tribal Lands where ownership is communal and farming is predominately on a subsistence basis.
- approximately 8,400 blacks own small holdings in African purchase areas.
- other blacks live in townships or on the outskirts of towns or in compounds for agricultural laborers on white-owned farms.
- the Tribal Trust Lands which were previously legislated solely for residence by blacks are now open for exploitation by white companies thereby reducing

further the land area available for occupation by Africans (ICJ, pp. 11-19).

- a static rate of growth has plagued the African farmers. From 1957 cash sales of African produce remained static at about R\$8 million per annum. While a gain in productivity was noted in the 1950's and early 1960's because of improved coverage by the government advisory service, overpopulation and the extension of cultivation into grazing and marginal areas helped maintain this static rate of growth (AHSR, p. 293).

#### Income Disparities

The maldistribution of income is indicated by an analysis of individual sectors. The problems are profound. The white 5% receive approximately 60% of the national income.

#### Agriculture

Only 1/7 of the income from agriculture goes to the 95% African majority, although well more than 1/3 (37.4%) of the Africans are in agriculture. The Europeans, however, receive almost 1/3 of the total agricultural receipts, although they are only 4% of the agricultural labor force. (See Charts).

The system also has built-in problems because of the differences among Africans. There are important distinctions

in number and in income per capita between the small minority of Africans farming in the African Purchase Areas and the vast majority who live in the Tribal Trust Lands. Of the former, there were 8,500 farmers in 1970 and 600,000, defined, as heads of household, of the latter. Purchase farmers have larger holdings of arable land (grazing land), and they accounted for one-third of the estimated R\$7.7 million of total cash crop production by Africans in 1970. For this same period farmers in purchase areas were thought to be producing about U.S. \$385 per year of which about 32% was for subsistence while the farmers in the Trust Lands were thought to produce only U.S. \$112 per annum of which 87% was for subsistence.

The number of farmers in black areas cited as heads of household also migrate to search for wage employment in the urban areas, fish, hunt, and engage in food processing, building, manufacturing and trading. In 1961 these farmers were enumerated at 397,715 and in 1968 550,045. 148,028 were termed "improved farmers" (meaning that they used such inputs as fertilizer). Of these 29,429 used fertilizer, and 42,940 owned their own farm carts. Approximately 300,000 plows were thought to be in use in this area. (A drop in the average cash income from farming was shown from U.S. \$8.50 per capita in 1958 to U.S. \$4.25 in 1970).

African agriculture accounts for one-half (5.6%) of the white agricultural contribution of 11.2% to GNP.

One item to note with respect to agriculture relates to the redirection of the Europeans in the agricultural sector, during UDI, from tobacco--traditionally a European crop. This is another point of contention and raises the

issue of whether there will be an effort to return to tobacco cultivation?

### Employment

The total employment in 1974 was 1,045,200. This was mainly in agriculture, domestic service and manufacturing, with Europeans holding most skilled jobs. A point that does have significance with respect to U.S. assistance towards the continued employment of whites relates to the unemployment rate among Africans. African unemployment is a serious problem, whereas that of the Europeans is insignificant.

Another area with significance for U.S. policy is the differential in earnings. In 1974 the annual earnings for non-Africans were estimated at \$7,644 per capita whereas that of the Africans was \$686 or 8.9% of European wages. According to the AHSR the net annual addition to the male population is 38,400. In order to absorb these new entries effectively into the employment market the net rate of increase of employment indicia arising out of the fact that the growth in productive capacity is mainly in the form of capital intensive equipment. Again there are implications for assistance programs.

A consideration of the relative comparisons between African and Europeans in the labor force shows that whereas 38.8% of the Europeans, including Asians and Coloureds, are in the labor force, only 16.3% of the Africans are in the

labor force. This means that while more than 1/3 of the whites are employed, only 1/6 of the Africans are employed. Almost a million Africans are in the labor force and little more than 100,000 whites. Yet, the whites receive almost 10 times as much in income per capita. When only the white labor force is examined, one finds that 4% of this group is in agriculture. However, when the total labor force is examined, less than one half percent, or only .4% of the whites are engaged in agriculture. For the African, 37% of the African labor force is in agriculture. This means that 33% Africans in the total labor force are in agriculture. The number of Africans in the whole labor force is increasing very slowly. An important fact here is that the Africans in agriculture account for only 6% of the total earnings of the country, whereas the Africans in the other sectors receive 35% of the total earnings of the country. This means that the whites are receiving about 58% of the total earnings of the country. Yet they are less than 5% of the population. The fact here is that the African agriculture as a percentage of total output is a little less than 1/4 (22.3%) and yet they are still only receiving 6% of total earnings, whereas Europeans in agriculture are receiving about 2% (1.9%) of the total earnings. Yet, the percentage of Africans in agriculture is about 9 times that of the percentage of

whites in agriculture. This fact is significant for U.S. policy towards assistance to the whites in retaining their agricultural holdings or even to help to preserve the value, if they sell, or leave, or even with respect to the question of compensation at all.

### Rhodesian Financial Obligations

The gross public debt of the Central Government\* as of March, 1976 totaled R\$708.7 million. (See attached chart). External borrowings accounted for R\$77.4 million of this (Note: external borrowing includes R\$9.3 million in loans from the Colonial Development Corporation, International Bank For Reconstruction And Development, and the Colonial Development and Welfare Fund.)

Internal borrowings of R\$628.1 million includes other loans which comprise loans from public corporations, companies building societies, and temporary borrowing which comprise temporary loans and Treasury bills. In addition, other loans of R\$4.2 million comprises liabilities on contractor finance and deferred purchase contracts and lease back agreements.

Gross public indebtedness of local authorities as of the end of 1975 totaled R\$200.6 million.

A major question is whether a new government will be held responsible for these debts.

These obligations relate to:

1. Blocked accounts

- in some cases, Rhodesia has borrowed from these; so the money is owed.
- in other cases, money has been reinvested (sometimes at the owner's direction).

Questions relating to this problem of blocked accounts are:

- what is the possibility of these debts being nationalized or repudiated by Zimbabwe?
- will the unblocking of accounts take place by the interim government?
- will the point of unlifting of sanctions be determinative?
- what is the U. S. interests here? Is the assistance package in any way contingent upon Zimbabwe's acceptance of these obligations?

2. Public debts

- is there any public debt owed the United States

3. The Private Sector

The issue here revolve around the following questions:

- is there such a debt?
- would this have to be paid?
- would it continue after independence?

- would it be saddled upon the new government?
- what is the total amount (plus interest)?
- will the United States forgive, (this is unlikely)?
- what is the feasibility of a claims settlement package where a grant (not loan) is made to the transitional government to satisfy the claims settlement?
- what is the African position?

One problem area arises out of the financial obligations of the regime. An incoming legitimate government of Zimbabwe would have several courses open to it namely;

- repayment
- proclaiming an indefinite moratorium
- repudiation

Zimbabwe, because of the Smith regime, is in a sui generis position. No other African country has had to face these economic constraints. It has been suggested by Prof. Stoneman (p. 26) that a repudiation would be perhaps called a "Zimbabwean UDI."

These liabilities are owned by Britain, the United States, and some of the multi-nationals. Stoneman has pointed out, however, that such a "Zimbabwean UDI" unlike the Rhodesian UDI would not have certain important cooperation from the multi-nationals who in fact acquiesced in

the Smith's regime's reinvestment of the foreign capital and to a certain extent in the retaining of MNC technical personnel to run the companies in Rhodesia.

Another problem relates to the issue of whether the money is still in the blocked accounts, because after UDI the Rhodesianized assets were paid into the blocked accounts and sometime according to Stoneman (p. 43), the money was borrowed and reused by the regime. What about the foreign capital reinvested and the loans to Rhodesian businesses, and the freezing of investment income payments to parent firms? It should be recalled that 48% of the investment was from foreign interests.

The interest on these blocked accounts is 30 million pounds according to Stoneman. The total liabilities are in the neighborhood of 600-800 million pounds. There are some 150 million in new obligations. He points out that this is equivalent, to a 100 dollar per capita debt in a country where the GDP a year per capita is about \$100 for the Africans.

#### Budget

The Rhodesian Herald reported on July 16, 1976 that a deficit of \$21,500,000 is expected by the end of fiscal 1976, and total revenues of \$547 million, up 18.5 percent from fiscal 1975, which was \$462 million. The plan for

closing the financial gap was through borrowing. The amount the finance minister proposed to borrow was \$165 million-- a sum considered unduly high.

#### The Sanctions Economy

A central issue is the extent to which the Rhodesian economy has become one of rigidly regulated capitalism and its consequent implications for Zimbabwe.

Four countries were strategic in aiding Rhodesia's economic survival: West Germany, Portugal, South Africa and Switzerland -- not because of their trade, but because of their geographic and political position. Their ports facilitated Rhodesia's trade.

What does this mean to Zimbabwe with respect to the establishment of patterns of trade? A new national economy would be operating in a new economic system -- a whole world economy which would be open to a favorable expansion of its trade.

#### Conclusion

The basic conclusion here for foreign policy purposes is as follows:

a consideration of the problems relating to land apportionment, the distribution of the agricultural lands, the educational problems and the employment and unemployment problems makes it clear that a

fair deal for blacks is antithetical to any position of preserving the present privileges of whites.

Even if the rather insurmountable hurdles were obviated, there is still the practical question of which whites would remain in a majority-ruled Zimbabwe where equity with respect to land apportionment, agriculture, employment, and the income disparity situation, was being implemented.

Problems to which Foreign Policy Sensitivity and AID Planning Must Be Attuned for Realization of U. S. Interests

Zimbabwe's State of Development

Two facts have special implications for U. S. policy with respect to Rhodesia:

- Rhodesia is "Africa's second industrial power" (Stoneman p. 25)
- But "Africans have been more effectively excluded from economic power and experience than in any African country except South Africa" (Ibid)

A basic consideration is what will Rhodesia be like on the developing/developed country spectrum? Rhodesia is clearly a developing rather than a developed country. At the same time it is probably unlike most other countries in Africa. Certainly it has a more highly developed manufacturing sector than most other African countries.

Nor is it similar to South Africa which is really more in the developed country spectrum, notwithstanding the poverty of the majority of its people. So Rhodesia will be sui generis on the African continent. In its stage of development it may be closer to Brazil and Iran.

What is the significance of this factor for the following?

- assistance to help it develop its potential;
- U. S. assistance geared to helping Zimbabwe free itself from South Africa;
- meaning of a free Zimbabwe for the other majority ruled states of the area;
- a possible future socialist country of Zimbabwe?

This latter is a valid question because the African countries have generally tended towards socialism rather than capitalism. It seems probable that the government's taking over the major industries and the introduction of socialism would not affect either the input of foreign capital or foreign investment significantly

- as long as the government was a "reasonable one, and
- as long as there is a fair amount of stability in the country.

There is another difference between Rhodesia and other newly independent countries. Rhodesia has developed

internal resiliency and is not dependent on the Metropole. Rhodesia is, however, heavily dependent upon South Africa.

#### The Minority in Zimbabwe

A basic problem is the extent to which white flight is a relevant factor in U. S. policy considerations. Does it underline the Kissinger proposal to participate and, in fact, spearhead a large multilateral program of assistance?

How does the proposal for entrenching minority "rights" or minority privilege affect what would be the positive meaning of an economically strong Zimbabwe to other African countries? This would be a problem if the continued presence of whites was the object of the assistance. It is more likely, however, that given the economic significance of Zimbabwe that the basic objection is a moderate government with a moderate economic policy and that the assistance program is to assist the development of such a government and policy. Therefore it is probably not premised on whites remaining in the country.

#### Economic Relationship of South Africa to Southern Rhodesia

A basic question here is the extent to which South Africa does have a stake in the Rhodesian economy.

Since UDI South African investment in Southern Rhodesia doubled so that it is almost equal to that of the United Kingdom. The amounts are 200 as compared to 225-300 million pounds, respectively.

South Africa's stake is also related to the number of South African technicians required to run the country.

How much of Rhodesia does South Africa own, and to what extent is South African technology critical to the Rhodesian economy are serious issues.

#### U. S. Foreign Policy Objectives Towards Zimbabwe

One issue which should be faced is to what extent U. S. assistance policy, particularly that as announced or reported in the Kissinger proposal, keyed to the repayment of Rhodesian liabilities. These liabilities were incurred during sanctions, when assets were either nationalized or Rhodesianized, in order to prevent them from being nationalized. There are two questions here; one is a policy question; the other is a legal one.

The legal question would concern the extent to which, section 620(3), the Hickenlooper amendment or other provisions of section 620 of the Foreign Assistance Act, would be applicable. Subsumed within this issue is the legal issue of who is the successor, if any, of the Rhodesian regime. Two things seem to be missing: one, a

direct and explicit undertaking by the government of Zimbabwe that it is the legal successor for the purpose of debts, financial and other obligations of the Smith regime; and, two, a general and specific statement in a legally binding instrument that it is the legal successor for all purposes of the Smith regime. It would indeed be unlikely that the government of Zimbabwe is the successor. How could a legal government of Zimbabwe, which must take its authority in direct line from the legal colonial authority, be the successor in law to an illegal regime? If any government were logically to be held accountable for the Smith regime it would certainly appear reasonable to fix that responsibility on the colonial power which was and continues to be the responsible international authority for that regime.

Of course, it is possible that the UK and the U. S. might try to get the government of Zimbabwe to undertake such liabilities. It is possible that the government of Zimbabwe might do so. Then, of course, should the government of Zimbabwe wish to repudiate these obligations it might wish to put forward at a later date an argument of duress as a justification for its actions.

The language of 620(e) is not significantly explicit to be able to determine whether or not it could be deemed

reasonably applicable in a case like this without further study. 620(e) applies to the nationalizing or expropriation or seizing of ownership or control of U. S. property. It does not relate to the repudiation of liabilities incurred as the result of the nationalizing or expropriation or seizing of ownership or control of U. S. property by an actor other than the government repudiating these liabilities.

It could, of course, be possible and perhaps probable that a condition precedent to the Kissinger proposal for U. S. assistance is an assumption either in the instrument of transition between the UK and Zimbabwe or in bilateral negotiations of these liabilities. It should be noted that these liabilities include not only the value of the Rhodesianized assets but of interest which has accrued.

Although it may be the leverage of U. S. business interests is such that such a condition would be put on U. S. aid (their power was indicated in 1971 in the passage of the Byrd amendment), the wisdom of such action from a foreign policy standpoint is most questionable.

Several elements concerning Zimbabwe are directly related to foreign policy, foreign economic policy, and aid policy alternatives. Certain problems are intrinsic in the black/white relationship in Rhodesia so that a

foreign assistance program must be carefully designed which does not become the catalyst for negative foreign policy results. On the United States side of the equation there are certain elements which must become factors, in regard to the planning of the foreign assistance program, so that they do not obstruct its execution.

The conception and implementation of a U. S. assistance program in Zimbabwe is inextricably dependent upon the effect of such a program on the economic policy of the government of Zimbabwe. This, in turn, is a function of

- the blend of ideology and pragmatism of the government of Zimbabwe
- the needs of the country
- the pace at which the government wants to eliminate the inequities of the Rhodesian "apartheid system"
- the willingness of the government to undergo short term privations in order to pursue a long term goal of economic independence.

In the mapping out of an assistance program, the following basic points and their foreign policy implications must be borne in mind in regard to the economy of Zimbabwe and a transition to an economy geared toward the majority under minority rule:

- the leaders of a new regime
- the shape of the international environment
- the receptivity of the international community to the regime
- the political orientation of the regime
- the place of the international business interests in the new regime
- the weathering of sanctions by the present economy
- the resilience of the economy
- adjustments from an economic structure which functions to benefit the few to one that supports the majority of the population.

The Rhodesian economic system (landlocked) is highly integrated with the economic systems of its neighbors and with the international business community.

Until UID it was an export oriented economy and its internal development has been skewed in favor of the white minority.

Crucial to any change in regime will be the agricultural sector, which is the predominant occupation of blacks and where the most fertile lands have been allocated to whites:

- the manufacturing sector which requires not only manpower but management which to date has been confined to whites;
- the nature of the infrastructure which is such that basic inputs like irrigation and transportation are confined to the white areas.

For all of these reasons, some redressing of the imbalance seems inevitable under majority rule, although its priority and pace will no doubt vary greatly among these sectors. The interrelatedness of the various sectors of the economy both internally and internationally is such that changes in one sector reverberates throughout any other sector which in any way affects it. Changes undertaken must be considered in terms of what impact they will have on other sectors.

Included in any consideration must be:

- the reallocation of all resources and jobs
- the shortage of skilled manpower
- the nature of the education system
- the orientation of the economy which, while diversified to a great extent may not be competitive with more efficient producers in the international community.

#### Aid Policy Alternatives

What would be the foreign policy payoff of a comprehensive U.S. plan for development assistance to Zimbabwe. It would certainly seem to be a "good" payoff for U.S. foreign policy interests both for Zimbabwe and for the United States, if the objective of the assistance was to help Zimbabwe to develop a substantial economic position in the region particularly as a counterbalance to that of South Africa and its economic imperialism in southern Africa.

There certainly would appear to be a "good" payoff for U. S. foreign policy interests if the objective is to help Zimbabwe have a viable economy for all of its people, even if the underlying purpose might be susceptible to charges of neo-colonialism.

The foreign policy payoff, over the long run, would probably not be "good" if the result was in fact to keep the Zimbabwean economy subsidiary to that of South Africa.

Underlying the whole decision making process on aid policy, assuming it would be a thoughtful and not a hit or miss process, there are two things to be considered:

- foreign policy from an ordinary political sense; and
- subsumed within it but at least as important foreign policy from an economic sense or foreign economic policy.

This latter is of special importance with respect to Zimbabwe, because unlike other black African states, Zimbabwe will be located in a region where the dominant political power, South Africa, not only is the dominant economic power, but is an integral part of the Western economic system--the foreign capital system whose protection is a legitimate and important part of U. S. foreign policy concerns

The decision must be confronted whether the implicit or direct objective of U.S. assistance to Zimbabwe is to increase those factors integrating the country into the southern African economy, whose center and vortex is South Africa, or whether it is to begin to assist the forces that would eventually create a Southern African economic system independent of South Africa and perhaps to assist Zimbabwe to become that center. (During the Federation, Rhodesia was beginning to be an economic center for the region and this could be done again.) The significance of U.S. objectives on this point with respect to the struggle of the black states against South Africa is very important. For, whatever their political and spiritual commitment to the cause, so long as South Africa is the economic magnet of that area, their choice of action is quite limited. But Zimbabwe as an industrialized state and as a state whose economy has unusual diversification and resiliency has definite and interesting prospects from this vantage point.

Another objective of U.S. aid might be to assist in preventing Rhodesian capital fleeing to South Africa. That might indeed be advantageous from a foreign economic point of view because Zimbabwe could be reactivated from the standpoint of western capital.

The premise for U. S. assistance programs of a U. S. foreign economic policy and more broadly U. S. foreign policy, should be that the firmest base for friendly, satisfying, and mutually helpful relationships between Zimbabwe and the United States rests in U. S. assistance towards Zimbabwe to develop to be an independent country along the course freely chosen by the majority of the Zimbabwean people. This would be the best insurance for the United States against Soviet influence in the area. It would be the best guarantee that the raw materials of Zimbabwe would continue to be accessible to the United States. It would be a policy that would probably pay the most dividends in having a friendly helpful government in regard to U. S. policies, both bilaterally and in international forums.

Although the setting up of affirmative guidelines for such a policy might be difficult, it is possible, at least, to indicate what should not be done.

First, a relationship between equals is basic. This would preclude not only attitudes, but policies, of paternalism. This would also mean that to the largest extent, the United States would seek to place some distance between itself and the aid which it grants. (Of course, there will be cases and probably many such cases where

the best way to give the aid is bilateral, but where possible it should be done on a multilateral basis. Aid to the largest extent through appropriate UN and international organizations such as the World Bank would be advisable.

Aid through the African Development Bank should be emphasized. This would also be an opportunity for the United States to support the Bank. Moreover it would avoid the backfire of a charge of manipulation of the aid relationship for purposes that will later rebound against us. Such charges would also be possible where assistance was through agencies where the U. S. has a substantial position of influence, such as the World Bank. Thus, the African Development Bank would be a priority channel.

The fundamentals of a rational U. S. policy towards Rhodesia - that is conceived, instituted and implemented in accordance with a basic understanding and commitment to U. S. interests are:

- that the United States be in a position to work with any government of Zimbabwe not just one headed by a particular faction or leader. The United States must therefore seek to avoid an Angola type situation and not place itself in a position

where it cannot work with the group which comes to power in Zimbabwe.

- The United States should design such a program carefully so that it will not tie the Zimbabwean economy into that of South Africa.
- that the United States should deliberately design a program of economic assistance to Zimbabwe so that Zimbabwe may become an independent economic base for southern Africa.
- that any assistance program should be conceived and implemented in accordance with whatever group is ruling Zimbabwe.
- that the United States should take its starting point as twofold: what Zimbabwe needs and requests.
- that the United States should not seek to implement any assistance program that the United States designs, controls, imposes or holds out as an inducement to Zimbabwe.
- that a main objective to any assistance program should be to assist the Zimbabweans in accordance with their requests to become independent of South Africa and to redress the economic inequities in the situation in Zimbabwe.
- that the United States should assist, as requested, Zimbabwe itself to have a UDI so that Zimbabwe itself

can become an independent economic center and develop its real potential.

The overall recommendation for this drafting of a U.S. assistance program for Zimbabwe so that U.S. foreign policy interests are protected to the maximum extent is that the program be designed with the following objectives:

1. From the internal standpoint, it be designed to assist the Government of Zimbabwe, in accordance with its wishes, in the elimination of the inequities both of the pre-UDI and UDI period.
2. From the internal economic standpoint, it be designed to assist the Government of Zimbabwe to overcome the economic disabilities resulting from the policies of discrimination.
3. From the regional economic standpoint, it be designed and implemented so as to assist the Government of Zimbabwe to lessen its dependence on South Africa and to stand on its own feet economically.
4. From the general standpoint of U.S. interests and of the inequities on the African scene, it be designed to be consistent with and not disproportionate to, other U.S. assistance programs in Africa.

5. From the standpoint of law and human rights, it be designed equitably and so as not to give undue advantage to the white minority.
6. From the standpoint of Africa and U.S. interests with respect to the resolution of the situation in South Africa, it be designed to curb and end South Africa's economic hegemony over the region generally and its leverage with respect to Zimbabwe in particular.

## PUBLIC DEBT AND GOVERNMENT FINANCE

TABLE 55.—GROSS PUBLIC DEBT OF CENTRAL GOVERNMENT

\$ million

End of Period	External Borrowings			Internal Borrowings				Other	Total		
	Stock Issues	Registered Bonds	Other Loans	Stock Issues	Registered Bonds	Other Loans	Savings and Loan Certificates				
1963	150.1	1.6	37.4	142.4	18.1	16.3	—	28.4	15.2	409.6	
1964	142.0	1.5	33.7	151.1	17.6	17.9	11.5	44.5	13.3	433.1	
1965	134.3	6.4	33.4	164.6	17.2	15.6	11.7	48.5	11.1	442.8	
1966	130.3	6.2	35.4	179.1	16.7	16.7	13.3	118.1	8.0	523.9	
1967	111.6	6.1	29.9	216.1	16.1	17.7	31.2	135.0	7.2	553.0	
1968	111.5	5.9	28.1	254.6	15.6	15.8	12.7	112.4	6.3	562.8	
1969	109.5	5.8	21.8	280.7	14.8	17.0	11.8	101.0	5.7	568.1	
1970	98.4	5.6	20.3	319.9	14.8	18.3	11.8	114.6	5.2	609.0	
1971	96.9	4.9	18.9	354.1	14.4	19.9	11.7	80.5	4.9	597.1	
1972	96.9	4.5	17.4	377.3	25.8	7.7	12.0	89.5	4.9	636.0	
1973	95.2	3.9	15.9	430.7	26.5	7.5	12.3	73.2	4.7	669.9	
1974	March	95.1	3.9	15.9	429.9	27.5	7.4	12.4	85.1	4.7	681.9
	June	74.4	3.9	12.3	449.8	29.7	7.3	12.2	83.9	4.7	678.3
	September	73.1	3.8	12.1	459.8	31.9	7.2	11.7	80.2	4.6	684.4
	December	70.0	3.8	10.9	483.8	35.1	7.1	11.0	63.8	4.6	690.1
1975	March	70.2	3.6	10.9	481.4	36.5	7.1	10.5	64.7	4.6	689.5
	June	66.9	3.5	10.0	478.9	42.5	6.0	10.1	66.6	4.6	689.1
	September	69.5	3.0	10.5	476.1	41.4	6.0	9.5	63.7	4.5	684.2
	December	68.6	3.1	10.3	481.9	40.9	6.0	9.2	71.0	4.5	695.5
1976	March	65.2	2.9	9.3	508.1	40.4	6.0	8.7	63.9	4.2	708.7
	June	60.8	2.9	8.1	499.4	39.9	5.7	8.2	91.2	4.2	720.4
	September										
	December										

TABLE 56.—GROSS PUBLIC DEBT OF LOCAL AUTHORITIES

\$ million

End of Period	Long-term Borrowing				Temporary Borrowing	Total Borrowing	
	Registered Stock	Government	Private	Total			
June 1954	24.8	38.2	0.2	63.2	2.2	65.4	
1955	27.8	43.8	0.2	71.8	1.6	73.4	
1956	28.4	47.0	0.4	75.8	5.2	81.0	
1957	33.4	50.6	0.4	84.4	4.4	88.8	
1958	35.0	53.0	0.6	88.6	6.4	95.0	
1959	37.4	55.6	1.0	94.0	8.2	102.2	
1960	40.2	57.6	1.8	99.6	8.2	107.8	
1961	43.0	59.4	2.2	104.6	8.2	112.8	
1962	43.5	60.0	3.4	106.9	5.8	112.7	
Dec. 1963	43.3	62.4	4.2	109.9	5.0	114.9	
1964	41.6	63.6	4.4	109.6	3.4	113.0	
1965	38.7	67.5	4.8	111.0	3.2	114.2	
1966	38.0	67.9	5.1	111.0	1.4	112.4	
1967	38.0	68.4	5.8	112.2	0.6	112.8	
1968	36.6	69.0	6.7	112.3	0.9	113.2	
1969	36.6	69.5	7.2	113.3	1.1	114.4	
1970	38.4	70.0	7.7	116.1	0.5	116.5	
1971	41.7	79.1	8.0	128.8	0.9	129.7	
1972	50.4	82.9	8.9	142.2	0.2	142.4	
1973	March	51.1	80.9	9.1	141.0	0.1	141.2
	June	57.8	87.3	9.0	154.1	0.2	154.3
	September	59.1	87.3	11.1	157.5	0.2	157.6
	December	61.8	86.6	11.4	159.9	0.2	160.1
1974	March	62.1	87.4	11.5	161.1	0.2	161.2
	June	70.6	89.1	12.8	172.5	0.2	172.7
	September	71.1	89.3	15.2	175.6	0.2	175.8
	December	75.4	86.9	18.0	180.0	0.2	180.5
1975	March	75.7	87.8	18.7	182.2	0.2	182.4
	June	84.6	93.6	19.3	197.5	0.2	197.7
	September	85.7	93.4	19.8	198.9	1.7	200.7
	December	86.9	92.9	20.7	200.4	0.2	200.6

APPENDIX I

UDI and the Impact of Sanctions

## UDI and the Impact of Sanctions

The impact of the imposition of sanctions on the Rhodesian economy was manifested in the following ways: an expansion of the government's control over every aspect of the economic-domestic and foreign affairs; a shift in the composition of exports and imports as well as trading partners; a dramatic change in the relative importance of the agricultural and manufacturing sectors.

Kapungu (p.75) notes that to have been effective -- that is, to have some impact on the level of European employment -- sanctions would have had to be directed against the manufacturing industry and the wholesale retail industry which made the greatest contribution to GDP. His reasoning is based on the belief that the importance of the ability of the domestic economy to sustain itself throughout the period of the imposition of sanctions. While manufacturing and wholesale retail industry earned only 25% of the export market most production from this sector was domestically consumed. Kapungu concludes that the only way for the sanctions to have been more effective -- to have resulted in a political as well as an economic weakening of the regime -- internal sanctions would have been to be applied. Such sanctions would have had to be undertaken by an internal African opposition which had been effectively eliminated by the government by 1965.

The more successful use of sanctions against Rhodesia

would have included a high rate of participation by foreign governments in their observance, and by these governments restricting the participation of those industries located within their national borders. However, Southern Rhodesia initially helped its own position by imposing restrictions on profit repatriation and employment termination by foreign firms. Foreign firms were also in a position to continue their relations with Rhodesia most had branches and other interests in other countries and they could continue investing in Rhodesia through these branches without their respective governments being able to determine where the profits came from.

Prior to UDI, Britain, South Africa and Zambia were Rhodesia's leading trading partners purchasing some 56% of Rhodesian exports and providing approximately the same proportion of Rhodesian imports.

Only Britain of the three was in a position to observe sanctions. Other trading partners which were helpful to Rhodesia, were West Germany, and Switzerland, which combined bought 10.3% and provided 4.6% of Rhodesia's trade in 1965. Neither of these countries were members of the UN. France, which refused to recognize the UN role and Portugal, which supported the political philosophy of Rhodesia received less than 2% of Rhodesia's goods and provided 3% of its imports. It was the geographic and political positions of these four countries

which were important in the economic survival of Rhodesia throughout the imposition of sanctions.

Also important was the share of world trade that Rhodesia held in 1965 (1/400 of the total). Because its volume of trade was so small, its trade activities could be disguised and absorbed in the trade of South Africa without causing significant adverse effects to the South African economy (Kapungu, page 78). It is also important that the cost of enforcing the sanctions against Rhodesia could be more costly than was a particular country's share of trade with Rhodesia. (Costs incurred in enforcing sanctions would include the policing of imports into a country, diverting trade to other countries, and determining whether exports were being directed to Rhodesia.)

Other factors which impeded an effective sanctions policy were: a poorly informed public; strong ties between governments and business interests; a voluntary sanctions policy; the many means which existed to evade sanctions such as the failure by the UN resolution to prohibit member states from being utilized by Rhodesia to export its commodities to other countries (third party countries) and members states were not requested to prevent ships registered in their countries not to transport Rhodesian goods (Kapungu, p. 89).

Victims of the sanctions in addition to Rhodesia were Zambia, Malawi and Botswana. Zambia was dependent on Rhodesian

railways; Malawi, 1965 depended on Rhodesia for meat, meat products, sugar, manufactures and coal and transport of goods to Malawi was subsidized by Rhodesian wholesalers and a number of Malawi firms depended on Rhodesian firms and banks for their funds. At UDI approximately 300,000 nationals of Malawi were working in Rhodesia. Botswana depended on Rhodesia for the transport of approximately 75% of Botswana cattle to slaughter houses in the southeast of Botswana near the South African border. Cattle is important and is equivalent to 7/8 of Botswana's export commodities. This sector employs 90% of the country's labor force. (Kapungu, p. 94).

Before declaring UDI, Rhodesia tried to build internal political support for its policy and to make itself economically viable. The former step involved ridding itself of as much political opposition as was possible: whites were drawn into the government, and black opposition groups (ZANU and ZAPU) were banned and the leadership was detained. (Kapungu, p. 103). Efforts towards economic viability encompassed the conclusion of agreements with South Africa and Portugal and threats to Zambia and Malawi regarding services provided by

Summary of the steps taken by Rhodesia to prepare for UDI:

(1) Foreign exchange - 2/3 of Rhodesia's \$90 million in reserves were transferred to South African, Swiss and other

European banks. Following UDI the Rhodesian Reserve Bank in Salisbury began buying all of the gold in Rhodesia. Gold production in 1964 was estimated at \$21,684,000. (Kapungu, p. 114).

(2) Import controls were enacted. Special import licenses were required for the import of commodities.

a. external transfers of funds were reduced (e.g., the remittance of income and payments to other countries)

b. payments of interest, dividends and profits and repayments of capital to residents in Britain were to be made into blocked accounts (monies in these accounts could not be transferred out of the country).

c. travel allowances were reduced for Rhodesians

d. all payments from residents of sterling area countries had to be made in American or Canadian dollars or in a West European currency so that the country could collect foreign exchange. (Kapungu, p. 114).

(5) An import quota system was established. Every four months a fixed sum of foreign exchange was allotted for the purchase of specific commodities which are considered to be essential. When the regime falls short of foreign exchange cuts are made in the import quota and some products are removed from the list of essential imports. (Kapungu, p. 115).

(6) After 1967 a straight line tariff based on MFN (Most Favored Nation - "Clause in a trade treaty by which each

signatory nation agrees to extend to the other the same preferential tariff and trade concessions that it may in the future extend to non-signatories; i.e., the same treatment that each gives to its "most favored nation" was imposed. This led to increases in duties on imports from countries other than those listed as Rhodesia's most favored nation. (Kapungu, p. 115).

(7) Emphasis was placed on the full utilization of industries which existed and expansion of industry discouraged unless new industries were concerned with import substitution. An organization (Market Place) was established to promote local industries and encourage manufacture of goods previously imported.

(8) In 1965 and again in 1967 Rhodesia said its debtors should look to Britain for repayments since Britain was the guarantor. Its total indebtedness was \$480 million. Funds normally used to redeem and service debts were put into irrigation systems: dams were built on the Sabi, Lundi, and Nuanetsi rivers and production of sugar, cotton, citrus fruits, wheat, corn, peanuts, beans and other crops were expanded by the Rhodesian South Eastern Development Company. (Kapungu, p. 116).

(9) Emergency Powers (Industrial Relations) Regulations were promulgated. They provided:

- A. that no employee in certain industries could be dismissed or could resign without consent from the Ministry of Labour. Oil and mining companies came under these regulations.
  - B. specific provisions of industrial agreements could be altered as could conditions of service, e.g. short time leave or remuneration in existing agreements.
  - C. alien African workers could be dismissed before Rhodesian. Under these provisions foreign companies were made to keep the economy functioning even when such companies were no longer receiving profits from their operations.
10. Some government agencies were ordered to spend all of their funds to create jobs. Therefore European (including Asian and Coloured) employment remained at the 1965 level though 1966, but 25,000 Africans (9,000 were Rhodesian) lost their jobs since 1965 was 20,000. The number of Europeans layed off for the same period was "0". None of the 48,000 Africans who reached age 16 could be employed in 1967. (Kapungu, pp. 117-118)
11. Plans were worked out to shield the tobacco industry from the sanctions. These plans included the sale of tobacco to the Tobacco Corporation - a government body. It was then auctioned. Profits from the sale went to growers and losses were absorbed by the government. Ceilings were placed on the production of tobacco from 1967. The expected loss for 1971 was \$27 million.

Between 1967 and 1968 an allotment was made to pay farmers not to grow tobacco and to go into production of other crops. The transfer of Europeans into the production of corn, wheat and cotton, backed by the government was said to undercut the production of African farmers.

12. Oil rationing was implemented while Rhodesia prepared to receive oil via railway and road links to South Africa. The oil sanction was applied in December, 1965. Oil consumption was at 9,000 barrels a day and at the time of UDI the country has enough supplies to sustain normal consumption for approximately 14 weeks. By February, 1966 Rhodesia could get 35,000 gallons per day from South Africa and 35,000 gallons from Mozambique. By 1966 consumption had been reduced by about 125,000 gallons daily. A relaxation of rationing in 1966 was accompanied by an increase in the price of gasoline. However, by 1969 the government began decreasing the price of gasoline.

#### Effects of the sanctions

Kapungu shows that the new main antagonists in this drama are Britain and Rhodesia - each of which has a different interpretation of the impact of sanctions on the Rhodesian economy. We shall now examine each of their positions.

Rhodesia admits that the tobacco industry has been greatly affected by the sanctions. However, its conclusions regarding the remainder of the economy differs markedly from those of Britain. It claims that GDP rose from \$986 million in 1965 to \$1,092 million in 1968. This represents an 11% increase. The government's figures show that in 1968 alone GDP rose by 14%. Rhodesian official sources show agricultural production as having risen by 7% between 1965 and 1967 and that in 1969 that in 1969 the total value of agricultural production was \$322 million. (Kapungu, p. 123)

The government shows the value of output in the mining sector as having risen by 5% between 1965 and 1967 plus a further increase in 1969 and 1968 production levels. A 15% decline in the rate of employment of Europeans in agriculture and 2% in commerce were said to have been offset by increases in their rate of employment in other sectors: mining, 9%, manufacturing, 9%; government administration, 15%. Government also claims that there has been net immigration into Rhodesia since UDI. Their figures show net immigration of \$4,500 in 1965, 5,200 in 1968 and 5,000 in 1969. (Kapungu, p. 123)

The view from Britain is much more pessimistic. It notes that the country's exports declined from \$459 million in 1965 to \$291 million in 1966, \$283 million in 1967, \$272 million in 1968 and that the purported rise in exports in 1969 (\$336 million) was actually 70% of the 1965 level. These calcu-

lations do not take into account cumulative increases in volume which would have been realized had sanctions not been imposed. (Kapungu, p. 124)

Britain shows imports as having been cut from \$336 million in 1965 to \$238 million in 1966 and that while imports rose in 1968 to \$291 million Rhodesia had to cut them back to \$277 million in 1969. (Kapungu, p. 124)

Furthermore, while Rhodesia showed a surplus in visible trade in 1969 of \$50 million, the deficit in invisible trade for the same period wiped this out leading to a current account balance of \$4.2 million. (Kapungu notes that Britain did not explain how equivalent amounts in the visible and invisible trade balances could lead to a positive balance of \$.42 rather than "0". (Kapungu, p. 124)

The rise in GDP claimed by Rhodesia is attributed by Britain to a 7% rise in prices. They add that population growth caused real income per capita to fall by approximately 5% by the end of 1967, remaining constant in 1968 and in 1969 being at about the same level as it was in 1965. According to Britain GDP also reflects goods that had to be stockpiled. It estimates that from 1965 to 1968 the net increase in stock amounted to \$165 million. (Kapungu, p. 124)

Regarding farm output Britain maintains that of the 7% increase in total farm output between 1965 and 1967, nearly 10% of the tobacco crop was stockpiled. The increase in

value of Rhodesia' mineral output for the period 1965-67 was attributed to higher prices in the world market for copper but that annual output (1965-67) actually fell by 2%.

Britain does admits to an increase in volume of output as well as the value of that output in 1969 as a result of substantial increases in investment since 1965. (Kapungu, p. 125)

Manufacturing was also said to have experienced a remarkable improvement. However, Britain contends that Rhodesia' figures on farming do not reveal that 1,200 tobacco farmers (one third of the 1965 total of European farmers) turned to less profitable corps. Also significant is the increase in 140,000 in the potential African labor force since UDI although the rise in the level of employment for Africans had been negligible, (Kapungu, p. 125) but Europeans were employed by manipulative of various sectors.

Public debt is seen by Britain to be a major problem for the Rhodesian regime. This is a function of the country's having financed the cost of sanctions and stockpiling through borrowing. Since UDI public debt is estimated to have increased by 30% although Britain has not herein taken into account Rhodesia's repudiation of all international debts owed to the British government and its agencies or guaranteed by the British before UDI. (Kapungu, p. 125)

Britain concludes that in real terms there has been no growth in the Rhodesia economy since UDI. They hold that

when price and population increase since 1965 are taken into account, per capita income is virtually the same as it was in 1965. Sanctions have, according to Britain, created severe long-term problems for Rhodesia thereby exacerbating the problem of African employment, discouraging European immigration and diverting economic resources into less profitable and less efficient channels.

Kapungu summarizes what he considers to be the impact of sanctions on the Rhodesian economy and notes that both Britain and Rhodesia have interests to be served by their respective interpretations of the Rhodesian economy.

Kapungu concludes that the Rhodesian economy has been static since 1965 from his examination of the Budget Statement and Economic Surveys of the country since UDI:

1. Production has been geared to the domestic market of which Africans form a substantial part, but African unemployment has been increasing yearly and therefore the buying capacity of Africans has declined.
2. Part of increase in European employment is disguised unemployment making no contribution to net national product.
3. A. Economic sanctions have hit tobacco and sugar (formerly the two principal foreign exchange earners) hard forcing moves into less profitable farming (e.g., corn and wheat) which have to be

subsidized by the government.

- B. The rise in farm output has not been met by a rise in total earnings from output. Furthermore, outer sectors have had to assist the agriculture sectors leading to a reduction in the total sum of capital which could be invested elsewhere.
- 4. The rate of population growth (3.5% per annum for Africans) has not been met by similar expansion in industry and other sectors. (Kapungu, p. 126)

Income per capita (at 1965 prices) has grown faster in the past decade than in the previous ten years. Says that without sanctions growth rate would have been faster but that the nature of economic expansion would have been different (e.g., export-led rather than growth from import substitution). Some of the deleterious effects of sanctions included: negative effect on Balance of Payments; employment, output, dislocation of sectors of the economy such as tobacco, motor vehicle assembly (Great Britain was replaced by West Germany and Japan), transport, oil refining and tourism and the effects of persistent political and economic uncertainty on business decision-making. Another problem for business has been government intervention in the private sector limiting the range of businessman's opportunities. Certain changes were possible under sanctions which would not have been possible in a "normal" environment.

For instance, there was the shift out of tobacco for export earnings and away from reliance on Zambia and the United Kingdom as export markets and onto a new growth path emphasizing self-sufficiency. It is suggested that sanctions resulted in a more efficient use of domestic resources such as the substitution of labor thereby increasing African employment. Import quotas and controls encouraged Rhodesian industry to try to produce previously imported capital and producer goods. Blocked accounts had a favorable effect on the level of domestic investment. Because of the availability of funds, seldom were projects deferred or abandoned because of shortage of finance. MNC's have also tended to reinvest their unrepatriated funds either in related fields or in conglomerate diversification.

Hawkins (Anthony M. Hawkins (University of Rhodesia) Chapter 2 "The Economy: 1924-1974" Taken from Leistner, G.M.E. (ed.) 1976. Rhodesia: Economic Structure and Change Africa Institute of South Africa) says that Malawi imports from Rhodesia increased and despite a decrease in volume, trade with Zambia continued across the Zambezi River. Zaire is said to have increased its trade with the country.

The reduction of imports curtailed manufacturing activity by 10% in 1966. By 1972 the values of imports and exports had regained their pre-UDI levels, domestic product had grown so that foreign trade had become less important in

relation to domestic output.

By 1972 Rhodesia was thought to be supplying about 10% of world tobacco export and much of world chrome exports. UN Sanctions Committee reported that in spite of sanctions member countries were importing more of major Rhodesian export commodities in 1972 than they had in 1965. Rhodesian exports were routed through South Africa and Mozambique.

An important aspect of post-UDI Rhodesia was its increased dependence of South Africa. For instance, when Great Britain withdrew its financial support, the South African Central Bank supported the party of Rhodesia's currency by supplementing the country's foreign exchange reserves from time to time.

For most of the period 1965-73 the increase in the domestic price level was relatively moderate compared to the rate of inflation in leading industrial countries for the same period.

Although no published figures agree, AHSR notes that the growth rate for GDP at 1965 prices showed a fluctuating but generally rising trend of overall growth for the period 1965-1972. (1966 - 1.4%) (initial impact of sanctions); 1967, +5.6%; 1968, +5.0%). Real growth rate was quoted at 9.9% in 1969. In 1970 the growth is shown to have declined to 4.8%, explained as being the result of a year of low rainfall which curtailed farm production. 1971 witnessed a revived growth rate of 9.2% as a result of increases in the volume of mining output (9%), manufacturing (15%) and construction (17%). GDP

in 1972 at current prices increased and in 1973, despite another drought, the real rate of growth was 6.5%.

Rhodesian government sources estimated that for the seven year period 1965-72 average annual rate of growth had been 6.5% representing a moderate improvement over the average rate achieved in the first half of the 1960's. AHSR concludes that sanctions had not been a complete failure although they had been considerably less effective than initially anticipated by the British authorities. The aid of South Africa and Portugal were invaluable in sustaining the economy through sanctions. Other factors contributing to its survival were: basic strength and resilience of the economy; effectively conceived program of Rhodesian government countermeasures; support of white Rhodesian businessmen and lack of support for the sanctions by the international business community.

In short sanctions:

- possibly strengthened the economy
- "improved the structure of the economy (though not its size) by reducing external dependence - forcing attention on to domestic goods sector and on to import substitution in general."
- "provided a stimulus for diversification and a necessity to develop capital goods, industries, particularly steel production, construction, and metal-working"

UDI and sanctions caused about a 14% worsening of the terms of trade for Rhodesia, mainly attributable to higher imports costs.

Although GDP fell about 4% in real terms just after UDI, moderate growth resumed rather quickly and hit about 10% in 1969 and 1970.

- by sector:

- a. percent of GDP represented by non-African agriculture fell from pre-UDI days
- b. percent of GDP represented by mining fell briefly but recovered to pre-UDI days
- c. percent of GDP represented by manufacturing grew larger than pre-UDI days

An effect of lifting sanctions might be to improve terms of trade; since Southern Rhodesia could buy from the cheapest source.

At the time of the imposition of sanctions the Rhodesian economy was thought to be vulnerable because it was to a large extent dependent upon foreign capital. Its exports were over half of its GDP and its imports were even more than half of the GDP. But the regime in effect nationalized or "rhodesianized": (Stoneman 26) much foreign capital without compensation. It is also reduced substantially its exports and its imports. It was also fortunate because of the diversification of its foreign capital. Although there was "significant domestic

capital" in Rhodesia before UDI, domestic capital during the sanctions period "has been strengthened absolutely relatively to foreign capital in some sectors". (Stoneman p. 25) Whereas before UDI Rhodesian capital may be said to have been wholly a creation of world capital, it began to develop its own internal resiliency under sanctions even considering the significant external capital input of capital during this period.

*Table 10. Farming Potential by Racially Allocated Areas, Rhodesia, 1962  
(percent of total)*

Natural Farming Region (suitable for)	Total Land Area	African Areas	Non-African Areas*
I-Intensive specialized and diversified farming . . . . .	1.6	0.7	2.2
II-Intensive crop farming with subsidiary livestock . . . . .	18.7	9.9	25.3
III-Semi-intensive mixed farming with livestock dominant . . . . .	17.4	14.7	19.5
IV-Semiextensive farming based on livestock and drought-resistant crops . . . .	33.0	36.6	30.4
V-Extensive livestock grazing . . . . .	26.2	33.4	20.8
X-Unsuitable for agriculture . . . . .	3.1	4.7	1.8
	100.0	100.0	100.0

\*Total non-African area of 52.1 million acres included European (white) Areas (35.7 million acres), Unreserved Land (5.9 million acres), and National Land (10.5 million acres). Most of the last two categories occurred in the poorer regions. The African areas comprised 44.4 million acres in 1962.

Source: Adapted from George Kay, *Rhodesia: A Human Geography*, New York, 1970, pp. 20-21, 53.

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Roman numerals on Chart I correspond to Roman numerals on this table (Table 10) example; Black (I) on Chart I corresponds to I- Intensive specialized and diversified farming.

Number of Employees by Industrial Sector

African Employees by Industrial Sector

	Agriculture	All Sectors	% Agr.	% All Sectors
1969	300,500	735,000	40.8	--
1970	290,500	748,000	38.8	+1.7
1971	303,400	782,000	38.7	+4.5
1972	334,300	840,000	39.7	+7.4
1973	348,200	885,000	39.3	+5.0
1974	356,900	926,000	38.5	+4.6
1975	353,700	944,000	37.4	+1.9

European, Asian and Coloured Employees by Industrial Sector

	Agriculture	All Sectors	% Agr.	% of All Sectors
1969	4,540	99,600	4.5	
1970	4,590	103,500	4.4	+3.9
1971	4,680	108,100	4.2	+4.4
1972	4,680	112,400	4.1	+3.9
1973	4,800	115,900	4.1	+3.1
1974	4,800	118,100	4.0	+1.8
1975	4,850	119,700	4.0	+1.3

Totals - Employees by Industrial Sectors - All Races

	Total African	% African in Agri.	European	% in Agr	Total
1969	735,000	36.0	99,600	.5	834,000
1970	748,000	34.1	103,500	.5	851,500
1971	782,000	34.0	108,700	.5	890,100
1972	840,000	35.1	112,400	.4	952,400
1973	885,000	34.7	115,900	.4	1,000,900
1974	962,000	33.0	118,100	.4	1,080,100
1975	944,000	33.2	119,700	.4*	1,063,700

As a percentage of population for the year 1974:

Employees by Industrial sectors

African	European (including Asians and Coloureds)
5,900,000 (16.3%)	303,800 (38.8%)
$\frac{(962,000)}{(5,900,000)}$	$\frac{(118,100)}{(303,800)}$

**Earnings**

**Agriculture (Wage - Employment)**

	African	%	European	(Other Sectors)		(\$ R Millions)
				African	European	Total
1969	36,900,000/7.2		12,000,000	174,900,000/34.2	286,700,000	510,500,000
1970	36,800,000/6.6		12,200,000	192,300,000/34.6	313,400,000	554,700,000
1971	39,800,000/6.4		12,700,000	215,300,000/34.6	383,700,000	621,500,000
1972	44,500,000/6.3		13,400,000	240,900,000/34.5	398,300,000	697,100,000
1973	49,500,000/6.3		15,200,000	267,100,000/34.3	445,600,000	777,400,000
1974	56,100,000/6.2		17,600,000	316,400,000/35.1	511,300,000	901,400,000
1975	63,400,000/6.0		20,700,000	372,300,000/35.1	585,200,000	1,041,600,000

"European" includes Asians and Coloureds

"%" = of total

National Income (R \$ Millions) 1966-1975 (Agriculture & All Sectors  
(plus % of total earnings for all sectors and agriculture)

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
<u>All Sectors</u>										
Europeans	240,7	250,3	272,0	298,7	325,6	366,4	411,7	460,8	528,9	604,3
% total Earning	58.9	58.6	58.4	58.5	58.6	58.9	59.0	59.2	58.6	58.1
Africans	167,5	176,7	193,4	211,8	229,1	255,1	285,4	316,6	372,5	435,7
% total earnings	41.0	41.3	41.5	41.4	41.3	41.0	40.9	40.7	41.3	41.8
R\$ Total Earnings	408.2	427.0	465.4	510.5	554.7	621.5	697.1	777.4	401.5	1,040,0

African Populatin = 95.1%, European (white, Asian, & Coloured) = 4.87%

Agriculture

European	11,1	10,6	10,4	12,0	12,2	12,7	13,4	15,2	17,6	20,7
% total earnings	2.7	2.4	2.2	2.3	2.1	2.0	1.9	1.9	1.9	1.9
Africans	2,7	33,2	34,6	36,9	36,8	39,8	44,5	49,5	56,1	63,4
% total earnings	8.3	7.7	7.4	6.6	6.4	6.3	6.3	6.3	6.2	6.0

From: Monthly Digest of Statistics; July, 1976:Rhodesian Government, computed from Tables, 14,15,& 50

AGRICULTURAL OUTPUT (R \$ Million)

	<u>European Agriculture</u>	<u>African Agriculture</u>			European & African output	African Agriculture as % of total output
	Gross Output	Sales through Marketing Agencies	Production for Rural household consumption	Approximate Total		
1966	144,6	9,8	40,8	50,6	195,2	25.9%
1967	145,1	11,9	59,4	71,3	216,4	32.9
1968	136,8	6,8	39,1	45,8	182,6	25.0
1969	171,5	13,5	54,2	67,7	239,2	28.3
1970	168,9	10,8	45,0	55,8	224,7	24.8
1971	202,4	16,3	59,4	75,7	284,2	26.6
1972	233,7	24,9	61,6	86,5	320,2	27.0
1973	247,3	22,0	42,1	64,1	311,4	20.5
1974	320,2	31,6	88,0	119,6	439,8	27.1
1975	351,0*	30,0*	71,3*	101,3*	452,3	22.3

\*Provisional From MONTHLY DIGEST OF STATISTICS

July, 1976, Rhodesian Government, Table 20

From Page 73, same source:

European Agriculture: includes changes in livestock herds, farm retentions, and the value of the production of secondary products by the agricultural sector. Also reflects the value of production in a given year.

African Agriculture: Estimates shown as production for home consumption by African Rural households are based on crop forecast, and on assumed per capita consumption figures valued at current producer prices. Changes in livestock herds are also included here.

Rhodesia

Population	African	European	Asian	Coloured	Total
1974	5,900,000 95.1%	274,000 4.4%	9,900 .15%	19,000 .32%	6,200,00

Salisbury

Population Estimates	African	European	Asian	Coloured	Total
12/75	430,000 75.5%	127,000 22.3%	4,500 .79%	7,100 1.2%	569,00

School Enrollments	% of Total Population		% of Total for each Racial group
1974 African	835,760	13.4%	14.1%
European	59,755	.96%	21.8%
Asian & Coloured	9,427	.15%	35.1%
1975 African	868,689	14.4%	
European	59,108	.95%	
Asian & Coloured	9,464	.15%	

Breakdown by

		African	European	Asian and Coloured
1974	Primary	796,426	33,620	5,637
	Secondary	35,876	25,066	3,514
	Other	3,458	1,069	276
1975	Primary	724,771	32,950	5,621
	Secondary	40,002	25,133	3,568
	Other	3,806	1,025	275

TABLE 50.—NATIONAL INCOME

\$ million

Item	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975†
<b>Wages and salaries</b>										
European, Asian and Coloured	240.7	250.3	272.0	298.7	325.6	366.4	411.7	460.8	528.9	604.2
African	167.5	176.7	193.4	211.8	229.1	255.1	285.4	316.6	372.5	435.7
<b>Total</b>	<b>408.2</b>	<b>427.0</b>	<b>465.4</b>	<b>510.5</b>	<b>554.7</b>	<b>621.5</b>	<b>697.1</b>	<b>777.4</b>	<b>901.5</b>	<b>1 040.0</b>
<b>Imputed rent</b>										
Owner-occupied dwellings	9.2	10.2	11.5	13.4	15.3	16.9	18.7	20.8	22.0	21.8
Central government	1.8	1.8	1.9	1.9	2.8	2.7	2.6	2.9	3.5	3.5
Local government	5.2	5.8	5.8	6.4	7.2	8.5	9.6	10.8	11.9	13.1
<b>Total</b>	<b>16.2</b>	<b>17.8</b>	<b>19.1</b>	<b>21.8</b>	<b>25.3</b>	<b>28.1</b>	<b>30.9</b>	<b>34.5</b>	<b>37.4</b>	<b>38.3</b>
<b>Gross operating profit*</b>										
Unincorporated enterprises:										
European, Asian and Coloured	43.4	49.7	50.6	74.1	70.0	80.6	88.5	89.2	114.9	121.6
African rural households:										
Own consumption and capital formation	51.9	73.7	49.2	68.0	55.7	74.5	77.7	52.3	108.4	89.8
Sales	7.4	9.4	4.7	10.4	7.8	12.4	20.6	16.2	24.8	22.8
African, other	2.2	3.2	3.9	5.5	4.7	4.2	5.3	6.4	6.5	6.7
Companies (non-financial)	130.2	156.3	166.0	206.5	241.7	289.9	343.8	415.2	541.5	559.9
Financial institutions: Private	-1.5	0.4	-1.4	1.8	2.0	-2.8	-0.2	1.4	-3.5	-4.0
Public	-0.9	-1.0	-1.3	-1.8	-1.9	-2.4	-1.7	-2.3	-2.0	0.9
Public corporations (non-financial)	14.1	4.9	14.4	20.3	15.4	25.4	30.6	18.6	19.9	13.1
Central government enterprises	5.7	4.9	4.9	5.9	3.7	0.4	—	—	0.1	0.1
Local government enterprises	11.7	12.3	11.9	15.1	15.8	16.3	18.5	25.8	23.0	22.2
<b>Total</b>	<b>264.2</b>	<b>313.8</b>	<b>302.8</b>	<b>405.9</b>	<b>414.9</b>	<b>504.1</b>	<b>583.1</b>	<b>622.7</b>	<b>831.6</b>	<b>831.2</b>
<b>Gross domestic income (factor cost)</b>	<b>688.5</b>	<b>758.6</b>	<b>787.2</b>	<b>938.2</b>	<b>994.9</b>	<b>1 153.7</b>	<b>1 311.1</b>	<b>1 434.6</b>	<b>1 772.5</b>	<b>1 909.5</b>
Plus: indirect taxes	50.3	58.6	63.3	68.9	87.2	97.9	106.6	118.4	129.2	135.3
Less: subsidies	-1.6	-3.4	-1.6	-0.8	-2.9	—	-5.0	-5.6	-19.6	-8.9
<b>Gross domestic income (market prices)</b>	<b>737.2</b>	<b>813.7</b>	<b>848.9</b>	<b>1 006.3</b>	<b>1 079.2</b>	<b>1 251.6</b>	<b>1 412.6</b>	<b>1 547.4</b>	<b>1 882.1</b>	<b>2 035.8</b>
Less: net income paid abroad	-19.2	-13.4	-14.9	-17.8	-21.0	-30.4	-35.1	-38.5	-52.7	-42.6
<b>Gross national income (market prices)</b>	<b>718.0</b>	<b>800.3</b>	<b>834.0</b>	<b>988.5</b>	<b>1 058.2</b>	<b>1 221.2</b>	<b>1 377.5</b>	<b>1 508.9</b>	<b>1 829.4</b>	<b>1 993.2</b>
<b>Gross national income at 1965 prices</b>	<b>695.8</b>	<b>759.2</b>	<b>775.6</b>	<b>894.8</b>	<b>925.0</b>	<b>1 028.2</b>	<b>1 110.3</b>	<b>1 152.1</b>	<b>1 277.3</b>	...

\* Before receipt or payment of interest and dividends and before allowing for depreciation.

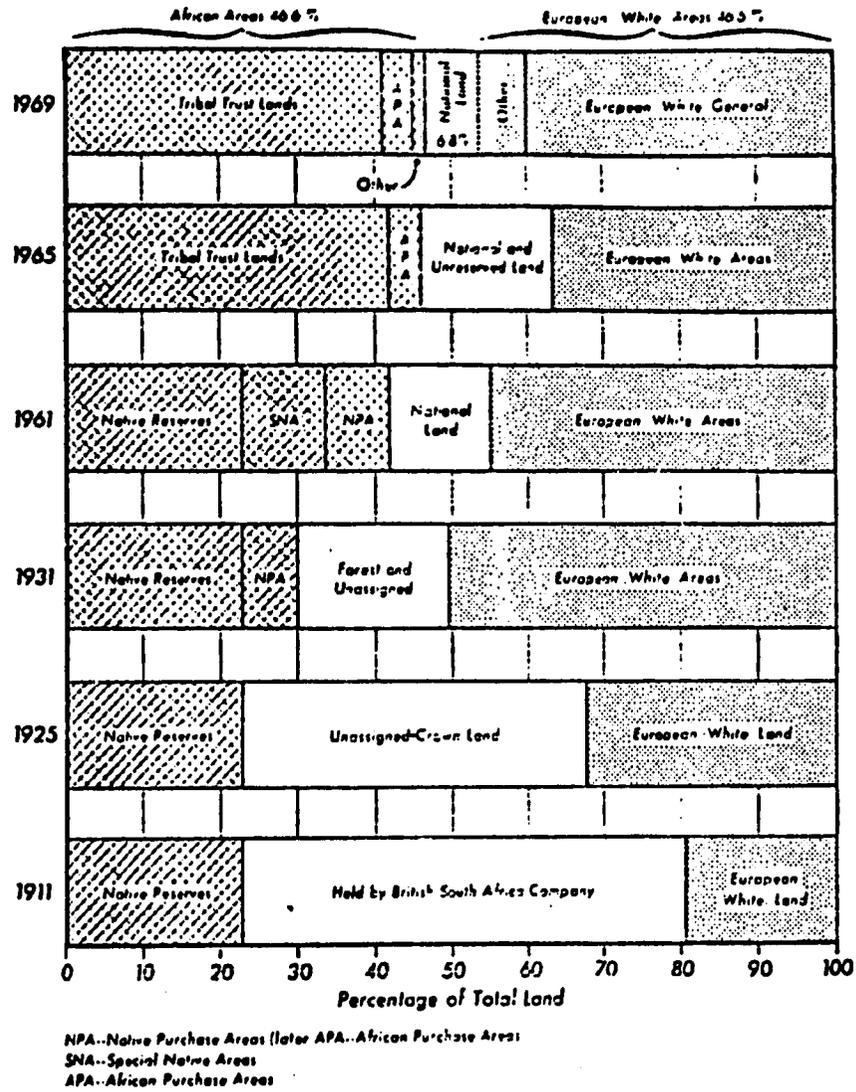
† Provisional.

TABLE 51.—GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN

\$ million

Item	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975†
<b>Agriculture and forestry:</b>										
European, Asian and Coloured	85.8	82.3	76.4	100.6	95.7	122.5	144.2	149.9	200.0	216.3
African	49.0	69.7	44.7	65.5	53.7	72.8	83.2	59.3	113.8	95.2
<b>Mining and quarrying</b>	<b>45.2</b>	<b>46.2</b>	<b>48.4</b>	<b>62.6</b>	<b>67.2</b>	<b>70.2</b>	<b>70.8</b>	<b>97.6</b>	<b>128.1</b>	<b>132.5</b>
<b>Manufacturing</b>	<b>122.9</b>	<b>142.1</b>	<b>157.2</b>	<b>182.4</b>	<b>220.3</b>	<b>261.7</b>	<b>306.5</b>	<b>349.2</b>	<b>438.3</b>	<b>474.5</b>
<b>Electricity and water</b>	<b>24.2</b>	<b>25.8</b>	<b>26.2</b>	<b>29.7</b>	<b>30.6</b>	<b>32.9</b>	<b>35.9</b>	<b>39.5</b>	<b>41.2</b>	<b>49.1</b>
<b>Construction</b>	<b>32.6</b>	<b>40.3</b>	<b>50.4</b>	<b>57.7</b>	<b>58.8</b>	<b>64.5</b>	<b>81.3</b>	<b>91.1</b>	<b>99.2</b>	<b>106.7</b>
<b>Finance and insurance</b>	<b>13.0</b>	<b>15.5</b>	<b>15.1</b>	<b>20.0</b>	<b>21.7</b>	<b>24.2</b>	<b>27.1</b>	<b>31.7</b>	<b>34.8</b>	<b>40.9</b>
<b>Real estate:</b>										
Imputed rent for owner-occupied dwellings	9.2	10.2	11.5	13.4	15.3	16.9	18.7	20.8	22.0	21.8
Other	8.5	9.2	11.0	14.3	16.6	18.1	19.9	21.8	23.6	23.2
<b>Distribution, hotels and restaurants</b>	<b>89.5</b>	<b>101.2</b>	<b>111.6</b>	<b>124.8</b>	<b>138.2</b>	<b>155.5</b>	<b>175.6</b>	<b>201.1</b>	<b>243.5</b>	<b>260.5</b>
<b>Transport and communications</b>	<b>54.5</b>	<b>50.5</b>	<b>58.4</b>	<b>71.0</b>	<b>67.8</b>	<b>78.0</b>	<b>86.7</b>	<b>85.2</b>	<b>89.7</b>	<b>102.6</b>
<b>Public administration</b>	<b>44.8</b>	<b>48.0</b>	<b>51.4</b>	<b>57.4</b>	<b>61.6</b>	<b>69.9</b>	<b>77.9</b>	<b>91.0</b>	<b>106.5</b>	<b>122.8</b>
<b>Education services</b>	<b>25.8</b>	<b>26.8</b>	<b>29.2</b>	<b>31.9</b>	<b>34.1</b>	<b>39.5</b>	<b>43.0</b>	<b>48.0</b>	<b>55.0</b>	<b>64.9</b>
<b>Health services</b>	<b>12.5</b>	<b>13.0</b>	<b>14.2</b>	<b>15.2</b>	<b>16.4</b>	<b>18.9</b>	<b>20.8</b>	<b>22.4</b>	<b>25.9</b>	<b>30.5</b>
<b>Private domestic services</b>	<b>23.7</b>	<b>25.0</b>	<b>27.0</b>	<b>28.2</b>	<b>30.5</b>	<b>33.5</b>	<b>37.8</b>	<b>38.4</b>	<b>42.6</b>	<b>48.8</b>
<b>African rural household services</b>	<b>10.3</b>	<b>13.4</b>	<b>9.2</b>	<b>12.9</b>	<b>9.8</b>	<b>14.1</b>	<b>15.1</b>	<b>9.1</b>	<b>19.4</b>	<b>17.4</b>
<b>Other services, n.e.s.</b>	<b>36.9</b>	<b>39.5</b>	<b>45.3</b>	<b>50.6</b>	<b>56.6</b>	<b>60.5</b>	<b>66.4</b>	<b>78.2</b>	<b>89.0</b>	<b>101.9</b>
<b>Gross domestic product</b>	<b>688.5</b>	<b>758.6</b>	<b>787.2</b>	<b>938.2</b>	<b>994.9</b>	<b>1 153.7</b>	<b>1 311.1</b>	<b>1 434.6</b>	<b>1 772.5</b>	<b>1 909.5</b>

† Provisional.



Source: Adapted from George Kay, *Rhodesia: A Human Geography*, New York, 1970, p. 50; and A.J. Christopher, "Recent Trends in Land Tenure in Rhodesia, 1961-70," *Geography* [London], LVI, No. 3, 1971, pp. 140-144.

Figure 12. Land Apportionment, Rhodesia, 1911-69

Mozambique's 1975 balance of payments situation has so far been officially disclosed for the period January-June only. Full 1975 balance of payments figures for the country may not be determined until late July 1976.

The balance of payments situation of Mozambique in the first half of 1975 is compared with that which prevailed in the corresponding period of the preceding year. Transmitted as an enclosure is a table showing Mozambique's balance of payments for January-June 1975 with comparable figures for 1974, all values being reported in US\$1,000,000 or fraction thereof at a conventional rate of US\$1.00 equals 25 Mozambique escudos.

#### SALIENT FEATURES

Overall "Debit" operations of Mozambique in January-June 1975 amounted to US\$314.9-million, that is 6% more than in equal period of 1974, while overall "Credit" operations in January-June 1975 rose by a bare 1% from the corresponding "Credit" operations of 1974. These two significant factors led to an overall deficit of \$34.9-million in the payments situation of the country in January-June 1975, that is, 71% higher than a similar deficit recorded in the corresponding period of 1974.

Enclosure: Balance of Payments

### REDUCED DEFICIT IN MERCHANDISE OPERATIONS

It is notable that the "Merchandise" operations in January-June 1975 registered a net loss of around US\$71-million, that is, some \$23-million less than the corresponding net loss registered in the same period of 1974. Commodity imports in January-June 1975 decreased by US\$23.4-million, while commodity exports remained at practically the same level of the preceding year. A serious effort was made by the Government of Mozambique to reduce its traditional commercial deficit by the adoption of the following measures: 1) stringent general import restrictions; 2) elimination of luxury imports which in the past were largely consumed by Portuguese nationals and 3) curtailment in the imports of machinery, heavy equipment, industrial raw materials and civil construction materials, as scheduled Development Plan works were not implemented and housing construction virtually stopped.

### INCREASED INVISIBLE EARNINGS

In January-June 1975 overall "Invisible" earnings of Mozambique rose to about \$156-million, that is, 29% higher than the corresponding earnings in the same period of 1974. This large increase is unexplained, but may be due to a secret increase in rates, or unusually large payments in the period. Major contributors to the "Invisible" earnings of Mozambique continued to be the State-owned network of seaports (Maputo, Beira and Nacala) and the servicing railroads. In fact, "Transportation" earnings in January-June 1975 reached \$74.7-million in contrast with \$63.6-million in corresponding period of 1974. "Salaries & Wages" in the period contributed gross earnings of \$19.3-million compared with \$5.4-million in the corresponding period of 1974. This item not only included the deferred wages of a larger number of African migrant labor, but also reflects higher wages paid to Mozambique personnel.

### CAPITAL ACCOUNT DECLINES

In January-june 1975 capital borrowings (short, medium and long term) increased to about \$43-million, that is, \$9.3-million more than in equal period of 1974. In the period, "Capital" credit operations dropped from the high level of \$36.8-million in 1974 to as low as \$4.3-million. These figures reflect the cessation of investment capital entering Mozambique following the 1974 Portuguese decolonization announcement.

MOZAMBIQUE - BALANCE OF PAYMENTS - January-June 1975 and 1974  
(In US\$1-Million at US\$1.00 equals 25 Mozambique escudos)

<u>OPERATIONS</u>	<u>Debit</u> <u>1975</u>	<u>Debit</u> <u>1974</u>	<u>Credit</u> <u>1975</u>	<u>Credit</u> <u>1974</u>	<u>Balance</u> <u>1975</u>	<u>Balance</u> <u>1974</u>
1. MERCHANDISE TRANSACTIONS:	<u>190.20</u>	<u>213.56</u>	<u>119.41</u>	<u>119.71</u>	<u>-70.79</u>	<u>-93.85</u>
1.1 Previously licensed	188.34	210.46	115.18	113.12	-73.16	-97.34
1.2 Not previously licensed	1.27	1.04	2.07	0.71	+ 0.80	- 0.33
1.3 In transit	0.59	2.06	2.16	5.88	+ 1.57	+ 3.82
2. INVISIBLES TRANSACTIONS:	<u>70.75</u>	<u>46.88</u>	<u>155.77</u>	<u>120.63</u>	<u>+85.02</u>	<u>+73.75</u>
2.1 Transportation	5.14	1.95	74.73	63.65	+69.59	+61.70
2.2 Insurance	1.88	0.88	1.50	0.83	- 0.38	- 0.05
2.3 Tourism	34.64	13.00	2.81	2.50	-31.83	-10.50
2.4 Capital returns	9.97	13.08	0.13	0.11	- 9.84	-12.97
2.5 Commission fees	0.85	0.71	4.73	1.67	+ 3.88	+ 0.96
2.6 Patent rights	0.14	0.24	x	neg.	- 0.14	- 0.24
2.7 Administ. expenses	7.34	4.39	12.15	3.62	+ 4.81	- 0.77
2.8 Salaries & wages	1.61	1.94	19.34	5.40	+17.73	+ 3.46
2.9 Services & payments	0.48	0.34	0.75	0.19	+ 0.27	- 0.15
2.10 Private remittances	8.46	9.65	14.93	13.06	+ 6.47	+ 3.41
2.11 Pub. Dept. expenses	0.24	0.62	24.70	29.60	+24.46	+28.98
3. CAPITAL TRANSACTIONS:	<u>50.53</u>	<u>37.19</u>	<u>4.82</u>	<u>36.87</u>	<u>-45.71</u>	<u>- 0.32</u>
3.1 Short term transact:	11.85	0.03	0.60	9.90	-11.25	+ 9.87
3.2 Medium & Long term "	31.06	33.56	3.74	26.94	-27.32	- 6.62
3.2 Personal transfers.	7.62	3.60	0.48	0.03	- 7.14	- 3.57
GENERAL TOTALS (1 to 3):	<u>314.87</u>	<u>297.63</u>	<u>280.00</u>	<u>277.21</u>	<u>-34.87</u>	<u>-20.42</u>

NOTE: Data compiled by ECON/COMM:D.I.Soares Rebelo.