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CENTRAL INTELLIGENCE AGENCY

81

OFFICE OF NATIONAL ESTIMATES

16 November 1971

MEMORANDUM

SUBJECT: The UK and Rhodesia: Last Chance for a Settlement?*

FOREWORD

To carry out a campaign promise that he would seek a settlement of the UK's long-standing dispute with Rhodesia, Prime Minister Heath sent Lord Goodman to Salisbury early this year to reopen talks with the Smith regime. The talks have been low-keyed and unpublicized: neither side wanted to raise the sort of false hopes generated before the Wilson-Smith meetings aboard HMS "Tiger" in 1966 and the "Fearless" in 1968. In the past few weeks, however, it has become clear that the two sides are closer to a settlement than ever before. On 14 November British Foreign Secretary Alec Douglas-Home flew to Salisbury for a critical phase of the negotiations.

Whatever the outcome of the talks, it will have implications for future relations among the UK, Rhodesia, and black Africa; and we would hope to take this up in more detail in a later memo. Meanwhile, this piece is an attempt to define the issues involved;

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[redacted] and to touch on some of those major consequences which would most likely flow from a settlement, as well as those that would result from a collapse of the talks.

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I. BACKGROUND

1. In 1965 the white settler regime in Salisbury pressed the UK to grant Rhodesia its independence. Zambia and Malawi -- the two other members of the defunct Federation of Rhodesia and Nyasaland -- were already independent. It was abundantly clear, however, that the Rhodesian petition was made in behalf of Rhodesia's small white community, whose leaders sought independence as a way of assuring continued white minority rule over the country's blacks.

2. In October the Wilson government reiterated the now-famous "five principles", first laid down by Lord Home in 1964 when he was Prime Minister, on which the UK would have to be satisfied before granting independence:

(1) *Unimpeded progress toward majority rule, as enshrined in the 1961 constitution;*

(2) *Guarantees against retrogressive amendments of the constitution;*

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(3) Immediate improvement of the political status of Rhodesia's Africans;

(4) Progress toward ending racial discrimination; and

(5) HMG satisfaction that the basis for independence was acceptable to Rhodesians as a whole.

3. A sixth was added later by the Labour government: that there be no oppression of the majority by the minority or of the minority by the majority.

4. The UK's declaration was followed by a flurry of proposals and counter-proposals, none of which were mutually acceptable; and on 11 November 1965 Rhodesia issued a Unilateral Declaration of Independence. The rest is a chronology of failure. Wilson, persuaded that Rhodesia could be brought to its knees in "a matter of weeks, not months", applied sanctions on 12 November; UN sanctions were applied a year later. Two interim meetings between Smith and Wilson came to nothing; indeed, following the talks aboard HMS *Fearless* in late 1968, the disagreement -- it was "narrow in content but very deep", said Wilson -- was so great that neither side thought it worthwhile to resume discussion. Prospects for settlement did not revive until the Tories won the UK's general election in June, 1970.

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II. THE CONSTITUTIONAL ISSUE TODAY

5. Since UDI the Smith regime has moved even further away from Britain's five principles. The new Rhodesian constitution, enacted in June 1969, established separate black and white voting rolls, providing 50 Assembly seats for non-Africans and 16 for Africans. Representation of the races is based on shares of income tax assessed each: as -- and if -- the African share grows, blacks are assured of larger representation up to a maximum 50-seat parity with non-blacks. According to optimistic estimates about raises in black income, the blacks are unlikely to achieve parity under this formula in less than 200 years.

6. The Smith regime also has moved away somewhat from the UK's fourth principle, progress toward ending racial discrimination. The Land Tenure Act of 1969 divides Rhodesia's land almost equally between the 230,000 whites and the black population, now grown to 4.8 million. The 1969 constitution also eliminated judicial review of constitutional questions, thereby removing the last legal obstacle to discriminatory legislation by the dominant white minority.

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7. In spite of Rhodesian measures which widened the gap with the UK, substantial progress seems to have been made in the UK-Rhodesian talks which have been going on intermittently during the past year. According to press reports -- no official resume of the talks has been issued by either government -- Lord Goodman and his Rhodesian counterpart have moved toward compromise along the following lines:

(1) On "unimpeded progress toward majority rule": Smith has accepted this in principle, and the UK will not insist on any time limits. The British want the Rhodesians to broaden the basis of franchise to include the criteria of property ownership and levels of education, as alternatives to tax assessment levels.

(2) "Guarantees against retrogressive amendment to the Constitution" would include, first, stipulation that amendments must be approved by two-thirds of the elected African assembly members; and, second, the Rhodesian Supreme Court must review citizens' appeals on breaches of the constitution or charges of discrimination (presumably only "legal" discrimination). This would represent important concessions by each side -- the UK to relinquish its review functions over Rhodesian legislation (as outlined in the pre-UDI constitution), and Rhodesia to place limits on the whites' powers to change the constitution.

(3) and (4) "Immediate improvement in Africans' political status", and "progress toward ending discrimination" -- are said to be giving the most trouble. No formulas, either for African

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representation or for voting qualifications, have yet been agreed to.

(5) "General acceptance of the terms of independence" apparently is to be determined by a Commonwealth Commission. Originally the UK had demanded a referendum, while the Smith government wanted a convocation of chiefs (who, not coincidentally, receive their appointments and salaries from the government).

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8. The two sides have thus come closer together. But formidable obstacles remain.

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III. THE URGE TO ACCOMMODATION: HOW STRONG?

A. Rhodesia's Declining Stake in a Compromise Settlement

9. After five years of sanctions, Rhodesia's economy is alive and well. Economic growth has averaged 4 percent a year

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in real terms, in spite of two poor crop years. Exports, which fell drastically in 1965-1966, last year climbed back to the 1965 level and beyond. Tobacco farmers were the hardest hit by sanctions; they turned to other crops, however, thereby giving Rhodesia a well-diversified, much stronger agricultural base.

10. Rhodesia's successful defiance of sanctions has been due in no small part to external help, particularly from the South Africans, in acquiring such essentials as oil, and in arranging to sell Rhodesian chrome and other products under false certificates of origin, etc. Moreover, West European countries (excluding Britain) and Japan have bought increasing quantities of thinly-disguised Rhodesian minerals, while paying lip service to UN sanctions.

11. But the Smith government's successful effort to keep the economy going in the face of sanctions has not been without its long-term costs, some of which are only now being felt. The severe drop in imports has caused a gradual deterioration in Rhodesia's capital stock -- particularly railway equipment. This means not only an ever-growing volume of deferred imports as a future charge against foreign exchange holdings but, more

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importantly, a constraint on Rhodesia's future economic growth. Rhodesia is also hurting from the scarcity of development capital and external loans. In July the finance minister predicted a slowing in the economic growth rate. Rhodesian export earnings, adversely affected by the slump in world mineral prices and by the costs of evasion, are not growing fast enough to replenish depleted foreign exchange holdings.

12. While these problems neither singly nor together are likely to have a serious impact in the next 12 or 18 months, the continuation of sanctions ultimately will suppress economic growth and bring a reduction in white Rhodesians' living standards. Smith thus remains under some economic pressure to seek an end to sanctions.

13. Smith must be alert, above all, to (white) political pressures; and here there may no longer be quite so clear a consensus in favor of defiance. The first heady days of independence have passed into a long winter of annoyance over the continuing absence of normal intercourse with the outside world and over the absence of luxury imports which once were considered commonplace. For many, Rhodesia's prolonged role of pariah among nations must be deeply disturbing -- particularly because it has meant hostility between Rhodesia and the mother country.

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14. In Rhodesian politics, however, an understudy is always waiting in the right wing. Indeed the Rhodesian right already has begun twitching uneasily at the possibility of a sellout by Smith, and the Prime Minister has been criticized in the Assembly for what he is merely *suspected* of being willing to settle for.

15. Smith thus has to take account of two different constituencies; on the one hand, those -- probably the majority of whites -- who feel, for economic or sentimental reasons, that an effort should be made to reach a settlement with the UK and, on the other, the extremists of the right whose sensors are alert to the least sign of capitulation. In fact, this is no dilemma for Smith. If he can get an agreement that leaves intact white domination for the indefinite future, all of his white constituents will be content. If, failing to win such a settlement, he breaks off the talks, the right will applaud his toughness and the others probably will accept the fact that he tried, and will hope that some future round of talks will find the British prepared to concede more ground.

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The UK's Position: Sanctions Are a Costly Embarrassment

16. The Heath government would like to put an end to the annoying Rhodesian situation. From Heath's standpoint, there is almost nothing to be gained in the current standoff. Sanctions cost money -- perhaps \$100 million a year *in toto* -- but accomplish almost nothing. The Smith regime has grown tougher. The US -- the only other important country to take sanctions seriously -- now seems about to resume buying Rhodesian chrome.*

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* *The Byrd Amendment to the military procurement bill, which has now passed both houses of Congress, in effect enjoins the Administration from doing anything to prevent US imports of chrome from "Free World" -- i.e., Rhodesian -- sources. This will mean an end to US sanctions on Rhodesian chrome, thus placing the US in violation of UN sanctions.*

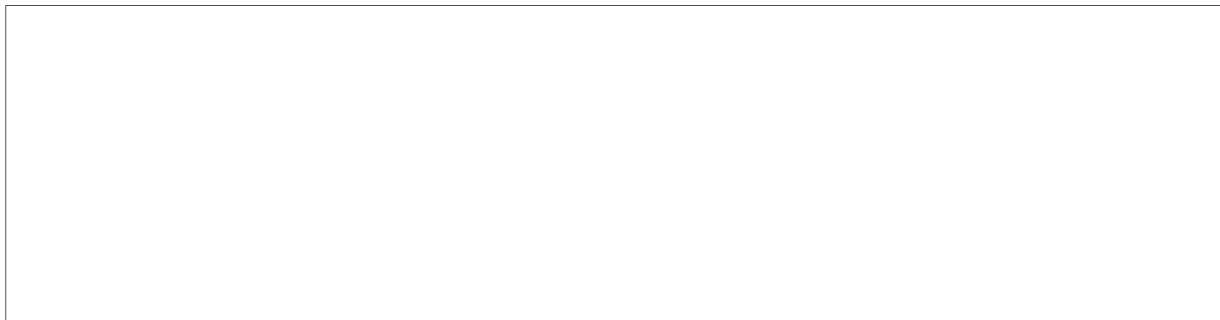
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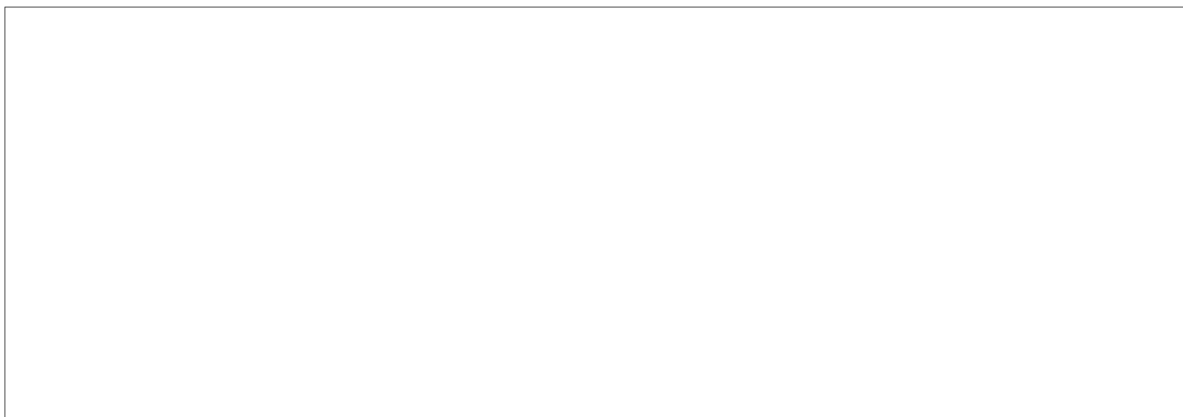
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The Rhodesian issue fits the UN atmospherics very well, and a number of the black African states would be likely to urge a tougher posture, by the US and others, in response to a UK-Rhodesian settlement.

23. British recognition of Rhodesia's independence would, of course, greatly enhance the status of the Smith regime, both at home and abroad. The regime and its white constituency would begin to enjoy the perquisites of nationhood again -- state visits, professional exchanges, renewed commercial relations, etc., with the UK and other European countries -- and no longer would feel like international outcasts. The Rhodesian economy would soon resume its rapid growth, although it would be many years before black

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Rhodesians would benefit much from this. Smith probably would have a somewhat freer hand to oppose the racial policies of the far right, at least for a time. A settlement would be a setback for the Rhodesian black liberation movement, which would remain -- for the next few years, at least -- about as effective as it has been so far, which is to say almost nil.

24. If the two sides fail to come to terms, what then? Heath will be able to say with honesty that the Government tried to reach an agreement, but could not do so without compromising the five principles. It will be a disappointment to the Tories, but not a significant political setback; and it will virtually rule out the possibility of a settlement for at least the next few years, unless some unforeseen crisis should cause one or both sides to move toward the other.

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26. In the event there is no settlement, the impact will be far greater in Rhodesia than in Britain. The Rhodesians, even more than the UK, will be seeking ways to end or ameliorate the sanctions, as well as to gain recognition from other countries and generally reach some semblance of normalcy in domestic and foreign affairs. It won't be easy. Indeed, a third break-off in talks, this time with a supposedly more friendly regime in Westminster, could cause within Rhodesia's white community a polarization on racial matters similar to that which has developed among South African whites. The Rhodesians also would have no choice but to continue their considerable economic dependence on South Africa.

27. Rhodesia's blacks stand to gain little either way. Neither an independent Rhodesia, with laws no longer subject to British review, nor the extension of UDI for an indefinite period, augurs well for black political progress. A settlement would at least offer the possibility of outside influences exerting some effect on Rhodesian white public opinion and

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government policies. In the event no settlement is reached, tendencies toward a closed and highly segregated society, like South Africa's, will be strengthened. The failure of the UK and Rhodesia to reach an agreement also would stimulate black African countries into more vigorous efforts to develop and support Rhodesian black liberation movements; and more Rhodesian blacks to look toward a violent solution.

28. In sum, a UK-Rhodesian settlement, even along the lines Smith wants, would at least leave the door open a crack to the possibility of peaceful change; but a failure to settle will slam it shut for a long time.

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