

**REPORT
OF THE SPECIAL COMMITTEE ON THE SITUATION
WITH REGARD TO THE IMPLEMENTATION
OF THE DECLARATION
ON THE GRANTING OF INDEPENDENCE
TO COLONIAL COUNTRIES AND PEOPLES**

VOLUME II

GENERAL ASSEMBLY

OFFICIAL RECORDS: TWENTY-NINTH SESSION

✓ SUPPLEMENT No. 23 (A/9623/Rev.1)



UNITED NATIONS

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UNITED NATIONS

New York, 1976

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

The report of the Special Committee is divided into six volumes. The present volume contains chapters IV to VI;* volume I, chapters I to III; volume III, chapters VII to XIV; volume IV, chapters XV to XX; and volume V, chapters XXI and XXII; and volume VI, chapters XXIII to XXIX; each volume contains a full table of contents.

* The present version of chapters IV to VI is a consolidation of the following documents as they appeared in provisional form: A/9623 (Part V) of 8 October 1974, A/9623 (Part VI) of 4 November 1974 and A/9623 (Part VII) of 15 November 1974.

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A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 952nd meeting, on 26 February 1974, the Special Committee, by adopting the seventy-first report of the Working Group (A/AC.109/L.920 and Corr.1), decided, inter alia, to refer the item entitled "Activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Southern Rhodesia, Namibia and Territories under Portuguese domination and in all other Territories under colonial domination and efforts to eliminate colonialism, apartheid and racial discrimination in southern Africa" to Sub-Committee I for consideration and report.
2. The Special Committee considered the item at its 978th and 979th meetings, on 28 and 29 August.
3. In its consideration of the item, the Special Committee took into account the provisions of the relevant resolutions of the General Assembly, in particular resolution 3117 (XXVIII) of 12 December 1973 relating to the item, and resolution 3163 (XXVIII) of 14 December 1973 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, as well as those resolutions relating to the colonial Territories in Africa. In addition, the Special Committee paid due regard to the relevant information provided by the representatives of the national liberation movements of the colonial Territories in Africa who participated in an observer capacity in the Committee's proceedings relating to their respective countries.
4. On 27 August, the report of Sub-Committee I on the item was circulated (see annex to the present chapter). The Sub-Committee's report included seven working papers prepared by the Secretariat at the request of that Sub-Committee, which contained information on economic conditions with particular reference to foreign economic interests in a number of Territories.
5. At the 979th meeting, on 29 August, with the consent of the Special Committee, the representative of the German Democratic Republic made a statement (A/AC.109/PV.979). At the same meeting, following a statement by the Chairman (A/AC.109/PV.979), the Committee adopted the report without objection and endorsed the conclusions and recommendations contained therein (see paras. 6 and 7 below), it being understood that the reservations expressed by members would be reflected in the record of the meeting. Statements were made by the representatives of Denmark and Australia (A/AC.109/PV.979). Subsequently, the Special Committee received a letter dated 9 September 1974 from the Permanent Representative of

Japan addressed to the Chairman (A/AC.109/464), outlining the position of his Government with reference to paragraph (10) of the above-mentioned conclusions.

B. DECISION OF THE SPECIAL COMMITTEE

6. The text of the conclusions and recommendations adopted by the Special Committee at its 979th meeting on 29 August, to which reference is made in paragraph 5 above, is reproduced below:

Conclusions

(1) On the basis of its study of the activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Southern Rhodesia, Namibia and Territories under Portuguese domination, and in all other Territories under colonial domination and efforts to eliminate colonialism, apartheid and racial discrimination in southern Africa during the year under review, the Special Committee notes with profound concern that the colonial Powers and States whose companies and nationals are engaged in such activities have failed to implement the relevant resolutions of the General Assembly, in particular resolutions 2621 (XXV) of 12 October 1970 and 3117 (XXVIII) of 12 December 1973 and have continued to disregard them. The Special Committee finds that in colonial Territories no legislative, administrative or other measures have been taken to put an end to, or to restrain the activities of, those foreign interests which continue to deprive the colonial peoples of the resources which they need for a viable independence.

(2) The Special Committee's study of the economic conditions prevailing in the Territories shows that foreign monopolies have continued to dominate the economies of Namibia, Southern Rhodesia, Angola and Mozambique; the colonialist and racist régimes are creating the most favourable conditions for their activities and the common characteristics of the activities of foreign economic interests in the majority of the colonial Territories have remained unchanged. Over a long period, foreign monopolies operating in these Territories have been guided solely by their own interests, continuing to follow economic and financial policies without regard to the legitimate interests of the inhabitants of the Territories. They have exploited the cheap labour and taken away various raw materials in their ruthless exploitation and plunder of the indigenous people, thereby depleting the natural resources in these areas and inflicting great losses upon the indigenous people. Predominance of foreign monopolies in the colonial Territories is indicated by the following data. Statistics show that foreign investments in the African colonial Territories exceed \$US 10 billion. In Angola, the monopoly capital of the United States of America, the United Kingdom of Great Britain and Northern Ireland and other Western countries, completely controls the extraction of diamonds, petroleum, manganese, copper, iron and other minerals. Almost all cash crops, import and export trade, banking and transportation facilities of Mozambique are monopolized by the capital of Western Powers. In Southern Rhodesia, over 80 per cent of the mining enterprises are owned by the capital of certain Western Powers. In southern Africa, foreign investment exceeds \$US 6 billion and monopolizes the local gold and coal mining, oil refining,

chemical and machinery industries. Foreign economic interests continue to develop only those economic sectors which yield the highest profits. They continue to manipulate agricultural production by emphasizing export crops, thus reducing the Territories to the role of supplier of agricultural products and raw materials to the colonial Powers. Their activities are directly counter to the inherent rights and legitimate interests of the people of the colonial Territories.

(3) The high profits earned by foreign monopolies continue to be returned to the colonialist countries or to remain in the hands of the exploitative minority of foreign settlers. Such profits are not invested for the improvement of the economic, cultural and social conditions of the indigenous peoples. The African labourers continue to receive wages several times lower than those of non-indigenous workers and they have no social security benefits. For instance, in Namibia, the wages paid to African workers by the South West African Company, Ltd. (SWACO) are one fifteenth of those paid to non-African workers. The monopolies, in collaboration with the colonial Powers, have continued to stifle trade union activities and labour movements. The brutal exploitation by monopolies and the prolonged rule of the local racists and colonialists have plunged the broad masses of the people in the colonial Territories of southern Africa into the abyss of dire misery. The average annual per capita income of those Territories is only about \$US 20; over 90 per cent of the population is illiterate. Over 50 per cent of the children die a premature death before the age of 10 because of the lack of medical facilities.

(4) Another form of labour exploitation is the forced relocation of Africans in Angola and Mozambique under various settlement and resettlement projects. This causes severe hardship because the labourers are often transferred to a subsistence economy different from that to which they are accustomed by tradition. Moreover, new discriminatory measures relating to wages and social security are enacted daily, and indigenous workers are unable to acquire skills because they are kept in a state of chronic illiteracy, their role being merely to provide a reservoir of cheap labour. It is evident that the policies pursued in the Territories under colonial racist domination are directed at perpetuating at best the status quo, if not a retrogression.

(5) In Namibia, an increased flow of foreign capital is being injected into the economy of the Territory and, during the year under review, there have been further efforts to attract new foreign investment into the mining sector and the search for oil. By encouraging the flow of foreign investment into the colonial Territory, the colonialist and racist régimes are trying to gain powerful protectors in the international monopolies and with their help to keep the colony in their power. The South African Government has amended the regulations concerning mining and prospecting concessions so that foreign companies may now provide as much as 75 per cent of the investment. The rate of foreign investment in Namibia has amounted to £25 million per annum with 60 per cent of this amount invested for quick profits in the mining sector. This territory is the most exploited Territory in history. One third of its gross national product is exported as profits by foreign companies, principally mining companies owned by interests in the United States, the United Kingdom, Canada and other countries.

(6) In Southern Rhodesia, there has been no diminution of the role of foreign economic and other interests. The foreign monopolies continue to dominate the economy of the Territory in co-operation with, and supported by, the illegal

régime of Ian Smith. This is demonstrated by the fact that there were more than 190 British companies, 56 United States companies and at least 47 South African companies operating in the Territory prior to the unilateral declaration of independence, and in fact these companies have continued investing in Southern Rhodesia by channelling investments through their South African subsidiaries. Valuable information about the negative role of the monopolies operating in Southern Rhodesia was given by the representatives of the national liberation movements of Zimbabwe during the general debate on Southern Rhodesia in the Special Committee. 1/

(7) In Angola, with the help of foreign economic interests, colonialist Portugal has accelerated even further its efforts to expand petroleum extraction. Considering the role which Angola might play as a supplier of oil to the white minority régimes in southern Africa, it becomes obvious that the activities of the foreign interests involved in petroleum exploitation in the Territory represent an important means of preserving the colonial occupation of the region. In Mozambique, the foreign economic interests continue to dominate the colonial economy of the Territory. The construction of vast hydroelectric power schemes, such as the Cabora Bassa dam, the Massingir River dam and other smaller projects, highlight the role which colonialist Portugal expects the Territory to play as a source of energy for southern Africa. In addition, the prospect of cheap hydroelectric power in the Territory has begun to stimulate interest in the exploitation of Mozambique's non-renewable resources by Portuguese and other foreign interests. Viewed within the over-all context of the increased demand of industrialized market economies for new reserves of non-renewable resources, the pattern of colonial exploitation and control of the economy of Mozambique becomes clear.

(8) With regard to the Cabora Bassa project, the Special Committee reiterates its previous conclusions as follows: the aim of colonialist Portugal and the minority racist régimes in southern Africa in undertaking the project with the help of foreign monopolies is to increase their oppression of the indigenous inhabitants and to bring to a halt the national liberation struggle of the people not only of Mozambique but also of Angola, Zimbabwe and Namibia. The project is designed to enable colonialist Portugal and other minority racist régimes in southern Africa to introduce more than 1 million European settlers into the area. The project is intended to strengthen the economic base of the minority racist régimes in southern Africa. The Special Committee finds that any foreign participation in the scheme is tantamount to strengthening the oppressive minority racist régimes in southern Africa. The construction of the Cabora Bassa dam in Mozambique and the development of the Cunene River Basin in Angola are not aimed at raising the level of living of the African peoples, but at enabling the colonialist Portuguese authorities to exercise greater control over those populations with a view to preventing them from joining the liberation movements.

(9) The Special Committee confirms its previous conclusions concerning the Cabora Bassa dam and Cunene River Basin projects, which, when completed, would provide an economic source of electric power for Southern Rhodesia and South Africa, thereby strengthening the colonial domination in this region. The indigenous African populations have already been displaced from the vicinity of these projects, enabling more Europeans to settle in the Zambezi and Cunene River valleys, thereby creating a white buffer zone in southern Africa.

1/ See documents A/AC.109/PV.961 and Corr.1, 963 and 968 and Corr.1.

(10) The Special Committee's study proves that the activities of foreign economic interests are directly related to the perpetuation of colonialism, apartheid and racial discrimination. Great multinational corporations from the United Kingdom, the United States, France, the Federal Republic of Germany, Japan and Belgium are helping to strengthen the colonial régimes and thus support the domination of the white minorities over the fertile land of southern Africa. It has been established that a very large portion of colonialist Portugal's income is derived from the colonial Territories through royalties and taxes paid by investors and that a large part of colonialist Portugal's budget is being used for its colonial wars with a view to suppressing the African peoples, who, after failing through peaceful means to achieve self-determination and independence, have resorted to armed struggle.

(11) The Special Committee notes with concern that certain Western countries, whose companies are exploiting the natural and human resources of the colonial Territories, have given vigorous political and military support to the racist régimes of Southern Rhodesia, South Africa and colonialist Portugal. The Special Committee also finds that the financial and technological participation of certain members of the North Atlantic Treaty Organization (NATO) in the exploitation of the colonial Territories is tantamount to the strengthening of the oppressive minority racist régimes in southern Africa.

(12) The Special Committee notes with satisfaction that protest campaigns against the involvement of foreign economic interests in the exploitation of the colonial Territories have taken place during the past year in several countries with the following results: in the Netherlands, as a result of pressure from the Angola Comité, Gulf Oil (Nederland), NV, stopped imports of oil from Angola; in the United States, church and university student groups formed a Gulf Boycott Coalition (GBC) to boycott all products of the Gulf Oil Corporation in a protest against the company's activities in Angola; and in Canada, the Toronto Committee for the Liberation of Portugal's African Colonies (TCLPAC) denounced the activities of Gulf Oil Canada, Ltd., in connexion with the exploitation of Angolan oil. The Special Committee also notes the useful efforts and measures by governmental and non-governmental organizations to intensify their campaigns with a view to mobilizing world public opinion to halt the predatory activities of foreign monopolies in colonial Territories.

(13) With regard to the situation in other colonial Territories, including those in the Caribbean and Pacific areas, the Special Committee expresses its concern that foreign economic and other interests are continuing to deprive the indigenous peoples of their rights over the wealth of their countries. Despite appeals by the General Assembly, the administering Powers have failed to restrict the sale of land to foreigners; the loss of ownership of land by the inhabitants of the Territories has continued to be the most obvious consequence of this practice in these regions.

(14) The Special Committee once again concludes, on the basis of its study, that the activities of foreign economic and other interests in the colonial Territories in southern Africa are an impediment to decolonization and to the eradication of apartheid and racial discrimination. The Special Committee deeply regrets that the colonial Powers have not implemented, even in a preliminary way, resolution 3117 (XXVIII). By ignoring the provisions of this resolution, they have added obstacles to the implementation of the Declaration.

Recommendations

7. On the basis of the above conclusions, the Special Committee recommends to the General Assembly that it should:

(1) Reaffirm the inalienable right of the peoples of colonial Territories to self-determination and independence and to the enjoyment of the natural wealth and resources of their Territories, as well as their right to dispose freely of those resources in their best interests;

(2) Reaffirm once again that the activities of foreign economic, financial and other interests operating at present in the colonial Territories constitute a major obstacle to the attainment of political independence and of social and economic justice for the indigenous peoples;

(3) Affirm that the continued active support of foreign monopolies which exploit the natural and human resources of the colonial Territories impedes the social, cultural and economic development of dependent peoples;

(4) Strongly condemn the present activities and operating methods of those foreign economic and other interests in the Territories under colonialist domination which are designed to keep the colonial peoples subjugated and to thwart their efforts and initiatives towards self-determination and independence;

(5) Condemn the colonial Powers and the support given by other States to the foreign economic and other interests which are exploiting the natural and human resources of the Territories without regard for the welfare of the indigenous peoples, thereby depriving them of the means of stabilizing their economies and achieving independence; and call upon such States to take effective measures to stop the supply of funds and other forms of support, including military equipment, to colonial régimes which use such support to repress the national liberation movements;

(6) Request all Governments and organizations within the United Nations system, having regard to the foreign economic and other interests which are impeding the implementation of the Declaration in the colonial Territories, to take effective measures to implement the relevant principles and decisions set out in General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974, containing respectively, the Declaration and the Programme of Action of the Establishment of a New International Economic Order;

(7) Strongly condemn once again the construction of the Cabora Bassa project in Mozambique and the Cunene River Basin Project in Angola, which are designed to strengthen and perpetuate colonial and racist domination over the Territories of southern Africa, as being fraught with serious implications for peace and security in Africa;

(8) Condemn the role of foreign economic and other interests in the colonial Territories as impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples and the efforts to eliminate colonialism, apartheid and racial discrimination in southern Africa;

(9) Request once again the colonial Powers and States concerned to take legislative, administrative and other measures in respect of their companies and nationals who own and operate enterprises in the colonial Territories, so as to put an end to those activities which are detrimental to the interests of the inhabitants of the Territories;

(10) Call once again on all States to ensure that their nationals or companies of their nationality refrain from all dealings with the colonialist and racist régimes in southern Africa with respect to obtaining concessions in the colonial Territories concerned;

(11) Appeal to all Governments and organizations within the United Nations system to bring new pressure to bear upon the colonialist and racist régimes in southern Africa with a view to their acceptance forthwith of the right to independence of the peoples concerned, and to extend assistance to the national liberation movements of the Territories for the consolidation of their national independence and reconstruction programmes, as well as for the full enjoyment of their natural resources;

(12) Request the Office of Public Information of the Secretariat to undertake an intensified campaign of publicity with a view to informing world public opinion of the facts concerning the pillaging of natural resources and the exploitation of the indigenous population by foreign monopolies and the support they give to the colonialist and racist régimes;

(13) Request the Secretary-General to undertake measures aimed at giving the widest possible publicity to the decisions of the General Assembly taken in connexion with the activities of foreign economic and other interests in colonial Territories;

(14) Request once again the colonial Powers and States concerned to comply fully with the provisions of resolutions 2621 (XXV) and 3117 (XXVIII), as well as those of previous relevant resolutions of the General Assembly and also to adopt effective measures to prevent new investment, particularly in southern Africa, which are contrary to the above-mentioned resolutions;

(15) Recommend that this question should be included as a continuing item on the agenda of the General Assembly during each of its regular sessions and that the Fourth Committee of the General Assembly should also hold a separate debate thereon.

ANNEX*

REPORT OF SUB-COMMITTEE I

Chairman: Mrs. F. J. Joka-BANGURA (Sierra Leone)

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* Previously issued under the symbol A/AC.109/L.973.

A. Consideration by the Sub-Committee

1. The Sub-Committee considered the item entitled "Activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Southern Rhodesia, Namibia and Territories under Portuguese domination and in all other Territories under colonial domination and efforts to eliminate colonialism, apartheid and racial discrimination in southern Africa" at its 135th to 137th, 139th and 140th meetings, between 31 May and 10 July 1974 (see A/AC.109/SC.2/SR.135-137, 139 and 140).
2. The Sub-Committee had before it working papers prepared by the Secretariat on economic conditions with particular reference to foreign economic interests in the following Territories: Angola, Mozambique, Southern Rhodesia, Namibia, Bermuda, Cayman Islands and Turks and Caicos Islands (see appendices I-VII below). It also had before it relevant information contained in the economic sections of the general working papers prepared by the Secretariat on the various Territories. a/
3. In formulating its conclusions and recommendations on the items under consideration, the Sub-Committee was particularly guided by the related information provided by the representatives of national liberation movements of colonial Territories in Africa who appeared before the Special Committee.

B. Adoption of the report

4. Having considered the item concerning the activities of foreign economic and other interests in colonial Territories, and having studied all the information available to it, the Sub-Committee at its 139th meeting, on 3 July 1974, requested its Chairman to hold consultations with its members with a view to the preparation of its report and to submit it directly to the Special Committee. b/

a/ A/9623/Add.1 (Part I), Add.2, Add.3 and Add.6 (Part I).

b/ The conclusions and recommendations submitted by Sub-Committee I for consideration by the Special Committee were adopted by the latter body without modification and are reproduced in paras. 6 and 7 of the present chapter.

APPENDIX I*

ANGOLA

CONTENTS

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1. Economic expansion as colonial exploitation	3 - 7
2. Control of energy resources	8 - 77
3. Trends in the exploitation of non-renewable resources	78 - 118

* This working paper was prepared before 25 April 1974.

INTRODUCTION

1. At the request of the Special Committee, the Secretariat, in 1965 and 1966 prepared a series of seven working papers containing background information for the study undertaken by Sub-Committee I on the activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Territories under Portuguese domination. These working papers contained information on mining; land concessions, occupation and settlement; agriculture and processing industries; foreign-owned railways in Angola and Mozambique; and Mozambique's economic relations with South Africa and Southern Rhodesia. a/

2. Since then, a study has been prepared each year giving information on new capital investments and other economic activities, with special reference to foreign interests. b/ These studies taken together show clearly how foreign economic interests dominate the colonial economy in Angola. The present study highlights the growing concentration of foreign interests in the accelerated exploitation of energy and non-renewable resources. Foreign economic interests in the other sectors are summarized in tables 8 and 9 below.

1. ECONOMIC EXPANSION AS COLONIAL EXPLOITATION

3. The continuous expansion of the activities of foreign economic interests in the exploitation of the energy and mineral resources of Angola not only depletes the natural wealth of the Territory but also contributes to the inflationary pressures in the colonial market sector.

4. Inflationary pressures are closely related to two aspects of current Portuguese colonial policy. On the one hand, foreign economic interests are increasing their exploitation of the mineral resources of Angola and, on the other hand, the monetary income which they generate is not compensated by a corresponding increase in the availability of goods and services for the population. Furthermore, this process is aggravated by the foreign exchange controls established in order to facilitate the payment of arrears in Angola's import trade with Portugal. It also imposes particular hardship on those sectors of the African populations which participate as wage earners in the colonial market sector. The inflationary

a/ Official Records of the General Assembly, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V, appendix; annexes I and II; *ibid.*, Twenty-first Session, Annexes, addendum to agenda item 23 (A/6300/Rev.1), chap. V, annex, appendices I to V.

b/ For the most recent, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23A (A/8423/Rev.1/Add.1), annex, appendix II; *ibid.*, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix I; and *ibid.*, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1) chap. IV, annex, appendix I.

trends may be observed from the data on the growth of the gross internal product at market prices and at 1963 prices (see table 1 below). An additional indicator is the trend in the money supply of the Territory. According to the annual report of the Banco de Angola, the money supply in Angola in the period January to March 1972 was 18 billion escudos. c/ The figure for January to March 1973 was 18.4 billion escudos.

5. The inflationary impact of these policies is clearly indicated by the values of the consumer price index for Luanda. In June 1972, the consumer index was at 149 with respect to its base month, December 1965. In June 1973, it had reached 171. Thus, current Portuguese colonial policies are promoting the accelerated depletion of the resources of the Territory and at the same time further depressing the standard of living of the population in the colonial market sector.

6. As pointed out below, the intensity of foreign exploitation of the mineral resources of the Territory is such that, in some cases, the high-grade iron ore deposits are approaching exhaustion and the companies are investing in the necessary installations to process lower-grade ores.

7. The present report shows the increasing number of foreign economic interests which are contributing to the exploitation of Angola's wealth. The massiveness of the foreign investments being made in the Territory ultimately reflects the increased support by those interests of Portuguese colonial exploitation.

c/ Twenty-seven escudos equal approximately \$US 1.00.

Table 1

Angola: gross internal product, 1963-1973^{a/}

<u>Year</u>	<u>Gross internal product at market prices</u>			<u>Gross internal product at 1963 prices</u>	
	<u>Million United States dollars</u>	<u>Million escudos</u>	<u>Relatives 1963 = 100</u>	<u>Million escudos</u>	<u>Relatives 1963 = 100</u>
1963	850	24 528	100	24 528	100
1964 (estimate)	900	27 000	110	25 800	105
1965 (estimate)	1 008	29 500	120	27 200	111
1966	1 140	33 006	140	28 586	117
1967	1 240	35 782	146	28 792	118
1968	1 350	39 251	160	30 314	124
1969	1 510	43 630	178	34 000	139
1970	1 870	53 823	220	38 048	155
1971 (provisional)	2 040	59 703	244	41 478	170
1972 (estimate)	2 340	63 000	257	44 000	180
1973 (estimate)	2 800	65 000	265	48 000	196

Sources: Portugal, Presidência do Conselho, III Plano de Fomento, Relatório de Execução em 1969, Lisbon, 1971; Angola, Actualidade Económica, No. 384, Luanda, 1973.

^{a/} Annual figures include an estimate for the output of the subsistence sector.

2. CONTROL OF ENERGY RESOURCES

8. In 1973, international developments in connexion with the consumption of energy resources in the industrialized market economies lent an even more critical role to the colonial control of energy resources in Angola. Thus, as indicated by the information summarized below, Portugal, with the help of other foreign economic interests, has accelerated even further its efforts to expand petroleum extraction in Angola. Considering the role that Angola may play as a supplier of oil to the white minority régimes in southern Africa, it becomes obvious that the activities of economic interests involved in petroleum exploitation in the Territory represent overt support for the preservation of the colonial occupation of the region.

9. The role of Angola as a source of energy for southern Africa is being further accentuated by the expansion of electric energy production. Projects under way will increase the production of electric energy in the Territory more than 50 times.

A. Strategic role of Angolan oil

10. Since the decision of the Arab countries not to supply crude petroleum to Portugal, the latter has become particularly dependent on oil from Angola. Prior to the interruption of supplies by the Arab countries, only some 10 per cent of Portugal's crude petroleum imports came from Angola. Most of the petroleum refined by the Sociedade Nacional de Refinação de Petróleos, SARL (SONAREP) in Mozambique also came from Arab countries. Only the Luanda refinery, which meets part of Angola's need for petroleum products, was fully supplied by Angolan oil. With production in 1974 expected to reach nearly 9.0 million tons, Angolan oil could cover Portugal's annual consumption of 6.5 million tons, as well as those of Angola and Mozambique.

11. Early in 1973, an article in Actualidade Económica (Luanda, 18 January 1973) reported that new petroleum findings in the Luanda area alone would yield a production of some 2 million tons a year. The article suggested that the deposits in the Luanda area combined with known deposits off-shore as well as on-shore in Cabinda would guarantee an annual production ranging from 12 to 15 million tons, which could be still further expanded. The article pointed out that such a production would protect Portugal from possible "international blackmail".

12. Portugal is reported to be trying to make political capital out of the situation by pointing out that present petroleum conditions enhance the economic and strategic value of Angola. There are indications that prospecting and drilling are being stepped up. It was reported that the Cabinda Gulf Oil Company alone would spend some 1.7 billion escudos in the Territory in 1974. The Portuguese authorities may also be expected to expedite their decisions on the granting of new concessions. There is a large number of outstanding applications, to which new companies were added in 1973 (see below).

13. Under its contracts with the petroleum concessionnaires operating in Angola, the Portuguese Government has the right to buy 37.5 per cent of their production. In addition, it may choose to receive the 12.5 per cent royalty levied on petroleum production in petroleum instead of cash. Thus, Portugal is guaranteed 50 per cent of the petroleum output from the Territory. In case of war, the Portuguese Government can pre-empt all the production of the petroleum concessionnaires. However, the new concession contracts include a clause providing that, in case of an emergency, Portugal has the right to all the petroleum produced. As reported previously, d/ early in 1973 the Portuguese Government had ordered that petroleum concessionnaires must maintain a reserve of crude petroleum corresponding to at least one quarter of all locally produced petroleum consumed in the Territory during the previous year.

14. As crude petroleum from Cabinda has a high wax content, only small quantities have been used by Portuguese refineries. Portuguese commentators state that their refineries, including that of SONAREP in Mozambique, would have to be modified before they could refine petroleum from Cabinda. Since the interruption of supplies by the Arab countries, there has been concern as to whether the Gulf Oil Corporation would be able to meet the needs of Portuguese refineries for better quality oil in exchange for the oil with a high wax content from its subsidiary, the Cabinda Gulf Oil Company. According to one report, Cabinda Gulf has agreed to meet the needs of the SONAREP refinery in Mozambique which currently has a capacity of 850,000 tons a year. Since part of the refined products from the SONAREP refinery are supplied to Southern Rhodesia, the use of crude petroleum from Cabinda Gulf would imply the indirect violation by the United States corporation of Security Council sanctions against Southern Rhodesia.

15. In an official note released in October 1973 the Overseas Ministry of Portugal announced that, as a result of negotiations undertaken by the Portuguese Government with the Gulf Oil Corporation in March 1972, it had been agreed that, in case of emergency the corporation would guarantee to supply Portugal with all its crude petroleum needs. Moreover, in case of technical difficulties in connexion with crude petroleum from Cabinda, the Gulf Oil Corporation would supply alternative crude petroleum from other sources. In December 1973, for the first time, Portugal was the largest importer of crude petroleum from the Cabinda Gulf Oil Company. Portugal reportedly imported 32.3 per cent of a total of some 660,000 tons shipped by the Cabinda Gulf Oil Company that month. In March 1974, it was reported that the Gulf Oil Corporation was supplying crude petroleum from Iran to the SONAREP refinery in Mozambique.

16. The expansion of petroleum refinery activities in Angola may, however, complicate the situation by adding to the demands on the Gulf Oil Corporation. Currently, most of the crude petroleum used at the refinery of the Companhia de Petróleos de Angola, SARL (PETRANGOL) in Luanda is extracted from northern Angola by the ANGOL /Sociedade Portuguesa de Exploração de Petróleos, SARL/ - PETRANGOL Association. This is a better quality petroleum and practically the entire

d/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix I, para. 20.

output is absorbed by the Luanda refinery, which has undergone several expansions. The last one, completed in 1973, increased its capacity from 700,000 tons to 1 million tons a year. Thus, in 1974, unless reports of a possible larger production are confirmed (see above), the expected output of 1.2 million tons of crude from the ANGOL-PETRANGOL Association will be almost completely absorbed by the Luanda refinery.

17. Despite its continued expansion, the Luanda refinery does not yet meet all the Territory's needs for petroleum products. Although it produced over 600,000 tons of petroleum products in 1971, Angola still had to import some 200,000 tons of gasoline, gas oil and liquid propane gas. In 1972, the situation worsened: local production remained at the same level, but the Territory had to import over 400,000 tons of those three products (see tables 2 and 3 below). In 1973, the PETRANGOL refinery was expected to supply some 25 per cent of the gas oil, 40 per cent of the liquid propane gas and 55 per cent of the gasoline consumed in Angola. It is estimated that the Territory will have to import some 50 per cent of its total needs of the same three products.

18. The Portuguese Government has already authorized PETRANGOL to further expand the capacity of its refinery to 2 million tons a year. Although this new expansion was not expected to be completed before 1976, it might now be speeded up.

19. In 1970, the Portuguese Government authorized ANGOL to set up a second refinery in Angola. The capacity of the new refinery was originally set at 650,000 tons a year, but ANGOL subsequently applied for its expansion to 2 million tons a year. Late in 1973, ANGOL reported that work on the new refinery had not yet been started, pending a decision on the form of government financial participation. In December 1973, it was reported that a company known as Angola Energy, Ltd., with headquarters in London, had applied to the Portuguese Government for authorization to establish a refinery at Moçâmedes in southern Angola. The refinery would have an initial capacity of 5 million tons a year, to be expanded to 10 million tons. The same company also applied for a concession to prospect for and exploit petroleum deposits in the Moçâmedes area.

20. Another related and relevant development was the authorization granted to the Riverwood Corporation, of Midland, Texas (United States of America), to build a plant in Angola to manufacture gas oil from bituminous solids. The plant will be located at Ambriz, north of Luanda, and will process bituminous solids extracted from the concession held by the Campanhia dos Asfaltos de Angola (COFAN) in that area. As may be seen from table 3 below, gas oil accounts for the largest share among imports of petroleum products. Asphaltic rock is abundant in the Ambriz area, and its use for the production of gas oil, which has long been under study, has now become possible through recently developed technology. The Riverwood Corporation plant in Angola is scheduled to start production in 1976 with a capacity of 450,000 tons a year, to be increased to 700,000 tons a year by the end of 1978.

21. Although no figures are available, it is well known that Portuguese armed forces in the Territory account for a large share of the local consumption of petroleum products. Thus, the activities of foreign interests in connexion with

the production, supply and refining of petroleum in Angola may be seen as directly contributing to Portugal's ability to continue waging a colonial war against the Angolan people. Moreover, with the expansion of petroleum prospecting and production, payments from the petroleum concessionnaires have become one of the main sources of revenue of the colonial régime. Although revenue from taxes on the petroleum industry was estimated at 1.6 billion escudos in the 1973 budget (see table 4 below), payments from the Cabinda Gulf Oil Company alone amounted to some 2.3 billion escudos (see para. 25 below). In 1974, revenues from the petroleum industry are expected to exceed 4.6 billion escudos (see table 4 below), which is almost 30 per cent of the total ordinary revenue estimated for the year.

22. The expansion of petroleum prospecting, production and refining also constitutes a major factor in attracting other foreign interests to the Territory. Ultimately, this expansion means support to, and participation in, Portuguese colonial exploitation by the foreign interests involved. At December 1973, the following companies were engaged in petroleum prospecting and production in Angola: the Cabinda Gulf Oil Company; PETRANGOL; ANGOL; TOTAL - Compagnie Africaine des Pétroles; Texaco Petróleos de Angola, SARL; and Argo Petroleum Portuguesa (Pesquisa e Exploração de Petróleos, SARL). In March 1974, it was reported that the Portuguese Government had granted two new concessions to United States companies: one to Esso Exploration, Inc., a subsidiary of the Exxon Corporation, and the other to an association comprising the Sun Oil Company, the Amerada Hess Corporation and the Cities Service Company, Inc. (see paras. 51-58 below).

Table 2

Angola: output of the PETRANGOL refinery, 1971-1972

(metric tons)

	<u>1971</u>	<u>1972</u>
Fuel oil	388,847	377,685
Gas oil	100,807	104,514
Jet fuel	69,781	73,708
Gasolene	52,385	48,065
Liquid propane gas	18,449	18,823
Butane gas	7,043	8,136
Total	637,312	630,931

Source: Angola, Boletim Mensal de Estatística, December 1972.

Table 3

Angola: imports of petroleum products, 1971-1972
(metric tons and million escudos)

	1971		1972	
	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>
Gas oil	192 440	205.1	330 752	295.9
Gasolene	15 381	22.8	88 589	94.0
Liquid propane gas	4 773	5.9	5 563	5.7
Total	212 594	233.8	424 904	395.6

Source: Angola, Boletim Mensal de Estatística, December 1972.

Table 4

Angola: revenue from the petroleum industry, 1966-1974
(million escudos)

<u>Year</u>	<u>Estimated</u>	<u>Actual</u>
1966	4.2	4.2
1967	87.5	39.1
1968	141.0	38.2
1969	522.1	530.4
1970	218.5	512.8
1971	460.0	222.9
1972	1 080.0	...
1973	1 555.0	...
1974	4 681.0	...

Sources: 1966-1971: Banco de Angola, Annual Report and Economic and Financial Survey of Angola, for respective years;
1972: Angola, Diploma Legislativo 21, 19 February 1972;
1973: Angola, Diploma Legislativo 121, 30 December 1972;
1974: A Província de Angola, 4 January 1974.

Cabinda Gulf Oil Company

23. In 1973, the Portuguese Government signed an additional contract with the Cabinda Gulf Oil Company amending its contracts of December 1966 and January 1969. Under its original contractual obligations, by 30 June 1972, the Cabinda Gulf Oil Company should have relinquished 75 per cent of the area of its concession. **The total area of the concession was 10,116 square kilometres, of which 6,616 square kilometres were on-shore and 3,500 square kilometres were off-shore;** the company originally was entitled to retain 2,529 square kilometres. However, as a result of negotiations with the Portuguese Government, it has actually retained all the off-shore area, comprising 3,500 square kilometres, and an on-shore area of some 1,000 square kilometres where the oil terminal of the Cabinda Gulf Oil Company is located.

24. In its authorization of the additional contract, the Portuguese Government stated that the agreement met the mutual interests of the Cabinda Gulf Oil Company and the Portuguese Government (Decree 397/73, 7 August 1973). The surface rent to be paid by the concessionaire to the Portuguese Government will amount to 7.0 million escudos a year up to 1975; 8.7 million escudos a year from 1976 to 1981; and 10.5 million escudos a year from 1982 to 2010; when the concession expires. For the extension of the area beyond the original contractual arrangements, the Cabinda Gulf Oil Company was required to pay a bonus of 5 million escudos to the Portuguese Government.

25. Under the additional contract, the Cabinda Gulf Oil Company has agreed to compensate the Portuguese Government against the effects of the devaluation of the United States dollar. As a result of this agreement, revised annual revenue from the Cabinda Gulf Oil Company collected by the Portuguese authorities in Angola in 1973 was substantially increased. According to a company spokesman, **payments to the Portuguese authorities in 1973 totalled \$US 90.9 million: \$US 68.5 million as income tax; \$US 22.0 million as royalties; \$US 394,796 as surface rent; and \$US 37,189 as a contribution to the Overseas Mining Development Fund.** Payments by the company to the Portuguese authorities from 1958 to the end of 1973 totalled some \$US 175.0 million. It will be recalled that, in 1972, the total investment by Cabinda Gulf Oil Company in the Territory amounted to \$US 209.0 million. e/ Thus, by 1973, the total investment by Cabinda Gulf Oil Corporation plus its payments to the Portuguese Government amounted to over \$US 380.0 million. This figure does not reflect the benefits enjoyed by Portugal from the foreign exchange earned by the export of crude petroleum from Cabinda, nor payments to Portuguese contractors.

26. According to provisional figures, the Cabinda Gulf Oil Company exported 7.1 million tons of crude petroleum in 1973. The major clients for Cabinda petroleum were Canada (see para. 34 below) and the United States. Other destinations included the Federal Republic of Germany, Japan, Portugal, Spain and the United Kingdom of Great Britain and Northern Ireland.

e/ Ibid., para. 21.

27. In the past, Cabinda petroleum was imported directly or indirectly by Trinidad and Tobago under an arrangement known as the West African Replenishment Programme. In November 1973, the Government of Trinidad and Tobago announced that it had banned all direct or indirect petroleum transactions with Angola. The measure came into effect immediately and legislation was introduced to prohibit all trade with Portugal, Angola and Mozambique. f/

28. In November 1973, Mr. Arslan Humbaraci, an author and journalist, reported in The Observer (London, 25 November 1973) that the Cabinda Gulf Oil Company had found a new major oil field off the coast of Cabinda. According to Mr. Humbaraci, the field was believed to be one of the major finds in recent years, and Gulf officials were referring to it privately as a "new Kuwait". In his view, the find had not been made public because of political problems which **would have to be solved before the field could be fully exploited.**

29. In a response to Mr. Humbaraci's article, Mr. M. R. J. Wyllie, President of the Gulf Oil Company in the Eastern Hemisphere, denied that the Cabinda Gulf Oil Company had made any new major discovery. He said that, so far, Cabinda Gulf had discovered only three fields in Cabinda, the last of which had been found in 1971. The company had drilled more than 350 wells in its concession, and currently 120 of them were producing petroleum. Mr. Humbaraci, challenging the reply of the Gulf Oil Corporation spokesman, stated that, because of its co-operation with Portuguese colonial authorities in Angola, the Gulf Oil Corporation was anxious to keep its operations in the region secret. He challenged the corporation to **deny having found eight new fields in 1972 and** offered to join representatives of the corporation in a public debate on its Angolan operations.

30. With the expansion of its activities, Cabinda Gulf has come under renewed attacks by the liberation movements. According to an article in The Guardian (Manchester, 6 March 1974), the Portuguese authorities have rushed troop reinforcements to Cabinda in an attempt to repress a major offensive by forces of the Frente Nacional para a Libertação de Angola (FNLA) against the installations of the Cabinda Gulf Oil Company.

31. As reported previously, g/ the activities of the Gulf Oil Corporation have been the target of protests by several action groups concerned with the colonial exploitation of the Territory. In the Netherlands, as a result of pressure from the Angola Comité, Gulf Oil (Nederland), NV, stopped imports of oil from Angola in 1972, and there have **been** no indications of further imports since that time.

32. In the United States, church and university student groups formed a Gulf Boycott Coalition (GBC) in July 1971 to boycott all products of the Gulf Oil Corporation in a protest against the company's activities in Angola.

f/ See A/9376.

g/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. II, chap. IV, annex, appendix I, para. 26.

33. In 1972, officials of the Gulf Oil Corporation invited Mrs. Elizabeth Jackman, a stockholder from Arcadia, California, to visit Angola after she questioned the company's involvement in the Territory at the corporation's annual meeting. Upon her return, Mrs. Jackman reported her findings in a letter to the Chairman of the Gulf Oil Corporation. She charged that the Gulf Oil Corporation was not helping Angolans to make the "transition from colonialism to self-determination". She also charged that some personnel of Cabinda Gulf were racist in their attitude towards Africans. The only African in the management of the company had been shipped out of town "apparently because of friction with the Portuguese staff". She also reported that she had seen African workers on a coffee plantation kept behind barbed wire, separated from their families, which contrasted with the whites who "lived in a world of golf courses, swimming pools and luxurious houses". As a result of her visit to Angola, Mrs. Jackman has sold her stock in the corporation and has joined GBC.

34. In Canada, the Toronto Committee for the Liberation of Portugal's African Colonies (TCLPAC) has denounced the activities of Gulf Oil Canada, Ltd., in connexion with the exploitation of Angolan oil. In 1973, TCLPAC members purchased shares of Gulf Oil Canada, Ltd., and attended the company's annual meeting. Questioned about his company's imports of Angolan oil, the President of Gulf Oil Canada, Ltd., stated that "... none of the Angolan, or Cabinda crude, to be more precise, comes into Canada ... I can assure you that Gulf Canada's operation in this regard will provide no basis for any distress on the part of anyone, no matter what his feeling about the Angolan situation". As reported by TCLPAC, Angolan oil was being refined at Point Tupper, in Nova Scotia, and then sent to the United States. According to the interpretation of TCLPAC, by refining the oil, Canada was helping to obscure the oil's nationality for political reasons. Half of Point Tupper's capacity was being used to "clean" the Angolan oil. TCLPAC also alleged that more than half of the \$US 18.7 million used to build the port facilities at the Gulf Oil refinery in Point Tupper had been covered by grants and loans from the Canadian federal and provincial Governments.

ANGOL-PETRANGOL

35. Apart from the Cabinda Gulf Oil Company, the two other companies already extracting petroleum in Angola are ANGOL and PETRANGOL. Each of these companies holds an individual concession. At March 1974, the ANGOL concession comprised 28,737 square kilometres and the PETRANGOL concession 18,955 square kilometres. ANGOL is reported to be owned by the Portuguese companies Combustíveis Industriais e Domésticos, SARL (CIDLA), Grupo Borges e Irmão and the Sociedade Anónima Concessionária da Refinação de Petróleos (SACOR). The latter, which has a majority control in ANGOL, is a subsidiary of the French State-owned Compagnie française des pétroles. PETRANGOL is jointly owned by PETROFINA, SA, of Belgium, the Portuguese Government and other Portuguese interests.

36. ANGOL, PETRANGOL and associated companies are involved in several petroleum prospecting and exploitation activities in Angola: ANGOL alone; the ANGOL-PETRANGOL Association; the ANGOL-TOTAL Association; and the PETRANGOL-ANGOL-TEXACO

Association (PETRANGOL, ANGOL and Texaco Petróleos de Angola, SARL, a subsidiary of Texaco, Inc., of the United States). h/ The General Mining and Finance Corporation, Ltd. of South Africa, is reported to have an agreement with the ANGOL-PETRANGOL Association, under which it is entitled to a 25 per cent share in the output of the Association.

37. In February 1974, the Portuguese Government authorized the ANGOL-PETRANGOL Association to sign farm-out contracts with three United States companies for the off-shore areas of the ANGOL-PETRANGOL concession in the Cuanza River Basin. The United States companies involved are the Amoco Cuanza Petroleum Company, a subsidiary of Standard Oil Company (Indiana); the Continental Oil Company; and the Occidental Petroleum Corporation. The United States companies will each have a $16 \frac{2}{3}$ per cent share in off-shore acreage of the concession, with the original partners retaining 50 per cent jointly. The expiration of the concession has been extended from June 1976 to December 1977 to allow the three companies to complete their obligations. According to the annual reports of PETRANGOL and ANGOL for 1972, the farm-out contracts with the United States companies were delayed because of disagreement between those companies and the Portuguese Government on the conditions of foreign exchange proposed by the latter.

38. According to the annual report of ANGOL for 1972, production was started from three new deposits during that year: Quinguila in the Congo area, and Légua and Bento in the western Cuanza area. Thus, together with its deposits at Mulenvos, Quenguela Norte and Cabeça de Cobra, ANGOL had a total of six deposits in production by the end of 1972. The petroleum from three wells at Quinguila was reported as high-quality. The new discoveries were considered so promising that ANGOL decided to plan the construction of a new oil port to handle future exports.

39. At the end of 1972, ANGOL's capital and reserves were reported to be 937.9 million escudos. In 1972, its gross profit was 721.8 million escudos, which was 57.9 million escudos more than in the previous year, and its net profit for distribution was 35.1 million escudos. Salaries and wages paid during the year amounted to 43.8 million escudos. Although it is not clear from the company's annual report how much was paid to the Portuguese Government as fulfilment of all contractual obligations, the accounts show that 8.5 million escudos were paid as taxes. Investments by ANGOL from 1966 to 1973 reportedly totalled 1.5 billion escudos. In 1974, ANGOL is expected to spend 361.0 million escudos in its various operations.

40. In September 1973, General Kaulza de Arriaga was appointed as the Portuguese government representative on the ANGOL board of directors.

41. Late in 1973, the French ship-mounted drilling rig Pelican was prospecting for petroleum in the Ambriz area which is under exploration by the ANGOL-TOTAL

h/ For a description of the contracts and concessions, see Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 24 (A/6868/Add.1), annex, appendix III, paras. 37-46; ibid., Twenty-third Session, Annexes, agenda item 68 (A/7320/Add.1), annex, appendix III, paras. 16-23; ibid., Twenty-fourth Session, Supplement No. 23 A (A/7623/Rev.1/Add.1), annex, appendix II, paras. 27-34; and ibid., Twenty-fifth Session, Supplement No. 23 A (A/8023/Rev.1/Add.1), annex, appendix III, paras. 48-53.

Association. The Pelican is expected to return to Angola in 1974 as part of the Association's programme to intensify its prospecting activities. By 1973, TOTAL alone had already spent some 368.5 million escudos in Angola.

42. According to the annual report of PETRANGOL for 1972, its petroleum production that year totalled 605,929 tons, including 507,446 tons from deposits under exploitation by the ANGOL-PETRANGOL Association; 68,940 tons from deposits under exploitation by the PETRANGOL-ANGOL-TEXACO Association; and 29,543 tons from PETRANGOL's own deposits. PETRANGOL's share in the total output was 317,736 tons.

43. At December 1972, PETRANGOL's capital and reserves amounted to 3.1 billion escudos, comprising a capital of 900.0 million escudos, reserves of 729.1 million escudos and amortization funds of 1.5 billion escudos. The company's profit in 1972 was 75.8 million escudos. Payments to the colonial Government were reported to be 37.0 million escudos, and expenditure with prospecting and research during 1972 were estimated to be 218.9 million escudos. Total expenditure, including prospecting activities, from 1966 to 1972 was reported to be 774.1 million escudos.

44. In 1972, PETRANGOL had 1,482 employees, comprising 780 skilled workers and 702 non-skilled workers. During that year six employees were trained in France, two in Belgium and two in the United Kingdom.

45. Under the terms of an additional contract signed in 1973 between the Portuguese Government and PETRANGOL, the company has been granted an extension of its exclusive rights up to 30 June 1976 (Decree 227/73, 17 May 1973). In 1965, the PETRANGOL concession was reported to be 6,000 square kilometres in area. Under the new contract, there was a reduction of 50 per cent in the on-shore area and 25 per cent in the off-shore area. The areas freed by PETRANGOL will probably be the object of new concessions by the Portuguese Government. The tax on net profits was fixed at 50 per cent, less the amount paid as a 12.5 per cent royalty on the value of petroleum extracted. This is the same formula used for other petroleum concessions (see also para. 13 above). PETRANGOL's contribution to the Overseas Mining Development Fund, which was fixed at 1 million escudos a year under the previous contract, will now vary from 1 million to 2 million escudos a year as a ratio of petroleum production.

46. On the signing of the new contract, PETRANGOL was required to grant a loan of 300 million escudos to the Portuguese Government. This loan will carry a 4 per cent annual interest and will be repayable in four annual instalments starting five years after it is granted.

47. In 1973, the ANGOL-PETRANGOL Association reported a new finding in the Congo River Basin, about 15 kilometres from Quinguila where ANGOL is already extracting high quality oil (see para. 38 above). By mid-1973, the ANGOL-PETRANGOL Association had 78 wells in production and had reportedly perforated 351 wells and discovered 10 petroleum fields.

48. According to the annual report of Texaco Petróleos de Angola, SARL, for 1972 it had a share capital of 113.7 million escudos. Sales during the year amounted to 8.5 million escudos, and the amount spent in drilling of wells totalled 9.1 million escudos.

Argo Petroleum Portuguesa (Pesquisa e Exploração de Petróleos, SARL)

49. As reported previously, i/ in 1972 the Portuguese Government granted a petroleum concession in Angola to the Argo Petroleum Corporation of Los Angeles, California. The company has since established a Portuguese subsidiary, Argo Petroleum Portuguesa (Pesquisa e Exploração de Petróleos, SARL), which is the official holder of a concession comprising 12,190 square kilometres of on-shore and off-shore areas.

50. No information is available on the activities of this company during 1973.

Esso Exploration, Inc.

51. In March 1974, it was reported that the Portuguese Government had granted a petroleum concession in Angola to Esso Exploration, Inc., of Houston Texas. It will be recalled that, in 1972, when Esso Exploration, Inc., a subsidiary of the Exxon Corporation, applied for a petroleum concession in the Territory, a number of United States organizations expressed their concern to the Exxon Corporation and called upon the company to withdraw its application. The organizations which tried to prevent the company's involvement in the colonial situation in Angola included the Ecumenical Commission on Southern Africa, the Council for Christian Social Action of the United Church of Christ, the American Committee on Africa, and the Unitarian Universalist Association of Boston. j/

52. According to a recent article in The New York Times (13 January 1974), the Exxon Corporation is the world's largest oil company. Incorporated in the state of New Jersey, its capital in December 1971 was almost \$US 1.8 billion, and the capital of its consolidated subsidiaries was almost \$US 2.0 billion. Its affiliated companies had production or exploration facilities or both in operation in 33 countries, refineries in 38 countries and marketing services in more than 100 countries. Its net profit in the United States and abroad for the first nine months of 1973 was reported to be \$US 1.7 billion.

53. Although the actual decree granting the concession to Esso is not yet available, some details on the terms were reported in the Portuguese press. According to these reports, the concession comprises some 20,000 square kilometres of off-shore areas located between Santo António do Zaire and Ambrizete in northern Angola. Most of the terms of the contract are similar to those of previous petroleum concessions. The basic innovation is the right of the Portuguese Government, in case of an emergency, to all petroleum output of the company in the Territory (see also para. 13 above).

54. Esso Exploration, Inc., is required to establish a company under Portuguese law in which the colonial authorities in the Territory will hold 20 per cent of

i/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. II, chap. IV, annex, appendix I, para. 33 ff.

j/ Ibid., para. 42.

the share capital free of any charges. When production starts, the concessionaire will have to transfer to a state company or companies indicated by the Portuguese Government up to 40 per cent of all the rights granted under the concession.

55. As in the case of other petroleum concessions, the concessionaire will pay royalties fixed at 12.5 per cent of the value of the petroleum produced. The Portuguese Government has preference in the purchase of 37.5 per cent of the production and may choose to receive the royalties in petroleum. There is no information on the specific amounts to be paid by the concessionaire as surface rent, production bonuses and contributions to the Overseas Mining Development Fund. It is reported, however, that all payments to the Portuguese authorities would be readjustable to compensate for the effects of inflation.

Amerada Hess Corporation, Cities Service Company, Inc., and Sun Oil Company

56. In March 1974, the Portuguese Government also granted a petroleum concession to an association comprising three United States companies: the Amerada Hess Corporation and Cities Service Company, Inc., both incorporated in the State of Delaware, and the Sun Oil Company, incorporated in the State of Pennsylvania.

57. In December 1970, the Amerada Hess Corporation had an authorized capital of \$US 120 million. Its consolidated net income for 1970 was reported to be \$US 114 million. Apart from its domestic activities in the United States, Amerada Hess has interests in at least 12 other countries. In 1971, the Cities Service Company had an authorized capital of \$US 212.5 million. Its net income for 1971 was reported to be \$US 104.5 million. During that year, the company was active in 19 countries, including South Africa. In 1971, the Sun Oil Company had an authorized capital of \$US 139.2 million and its net income was \$US 151.6 million. Among its subsidiaries is the Sunray Mozambique Oil Company.

58. The concession shared by these three companies comprises on-shore and off-shore areas totalling 10,000 square kilometres located between Novo Redondo in Cuanza-South District and Benguela in Benguela District. As in the case of Esso Exploration, Inc., the three companies are required to establish a Portuguese company which will be the official holder of the concession. All the terms of the concession are the same as those of the Esso concession discussed above.

Requests for new concessions

59. As reflected in previous reports, numerous applications for further petroleum concessions have been filed with the Portuguese Government. k/ In 1973, a few more companies were added to the list of applications. Companies applying in 1973 included: Energy, Ltd., of London; the Kilroy Company of Texas, Inc., of Houston; the Moncrief oil interests of Fort Worth, and a consortium consisting of the Tesoro Petroleum Corporation of San Antonio, General Exploration of Los Angeles, and Ceotherme of Paris. In August 1973, it was reported that a company known as the Angola Sun Oil Company had been chartered in the State of Delaware.

60. Towards the end of 1973, it was reported that the participation of Petr6leo Brasileiro, SA (PETROBRAS), the Brazilian state-owned oil company, in the exploitation of Angolan petroleum was still under consideration. According to one report, the question was discussed at a meeting of the Centro Empresarial Luso-Brasileiro, held in Luanda in 1973.

k/ Ibid., paras. 41-43.

B. Electric energy

61. In 1972, there were 1,501 electric power plants in Angola, of which 1,431 were thermal plants and 70 were hydroelectric plants. The installed capacity was 346,000 kW, and electric power produced during 1972 totalled 838 million kWh (see table 5 below). Although the current production of electric power meets all the needs of the colonial economy (consumption in 1972, for instance, was 787 million kWh), the Portuguese Government, in collaboration with Portuguese and foreign economic interests, has embarked on three major projects which will substantially expand the production of electric power in the Territory: the Cunene River Basin scheme, the expansion of the Cambambe hydroelectric complex and the Chicapa hydroelectric project.

62. As previously reported, 1/ when the hydroelectric projects of the Cunene River Basin scheme are completed, the Territory will have a capacity of some 28.0 billion kWh per year. According to the Portuguese press, with the full utilization of the Cuanza River resources (Cambambe complex), the Territory will have a capacity of some 50.0 billion kWh per year.

63. Expansion of electric power capacity will intensify colonial exploitation in southern Africa. In Angola, it will accelerate the depletion of the Territory's natural resources, such as iron ore, and will attract additional Portuguese and other foreign economic interests, thus strengthening the colonial occupation of the Territory. The export of electric energy to Namibia will help to support the illegal occupation of that Territory by the South African régime.

Cunene River Basin scheme

64. The Cunene scheme includes the construction of 25 hydroelectric projects. The total net capacity of the reservoirs will be 13.5 billion cubic metres, the total power to be installed 1.6 billion kWh and the total guaranteed power will be 6,797.3 kWh. It will be recalled that under the 1969 agreement between Portugal and South Africa on "The First Phase Development of the Water Resources of the Cunene River Basin", in addition to regulation of the flow of the river and generation of electric power, a number of irrigation schemes are envisaged for agricultural and ranching activities. m/

65. The total cost of the Cunene scheme was originally estimated to be 16.0 billion escudos. In 1973, a revised figure of 17.5 billion escudos was reported. All the funds are being supplied by the South African Government and South African companies in the form of non-reimbursable grants and long-term loans.

1/ Ibid., para. 8.

m/ For details, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23A (A/8423/Rev.1/Add.1), annex, appendix II.A, paras. 112-125; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix I, paras. 92-116; and ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. II, chap. IV, annex, appendix I, paras. 11-17.

Table 5

Angola: electric energy, 1968-1972 a/

<u>Year</u>	<u>Production</u> (million kWh)	<u>Relatives</u> <u>1963=100</u>	<u>Installed capacity</u> (thousand kW)	<u>Relatives</u> <u>1963=100</u>
1968	457	208	289	110
1969	542	246	296	113
1970	644	293	312	119
1971	742	337	320	122
1972	838	385	346	132

Sources: Banco de Angola, Annual Report and Economic and Financial Survey of Angola, 1971; A Província de Angola, Luanda, 2 July 1973.

a/ For previous years, see Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix I, table 2.

66. The first phase of work on the Cunene scheme, begun in 1969, included the construction of a dam at Gove, to be built by Portugal, and one at Calueque, with a pumping station, to be built by South Africa, and the development of a hydroelectric station at Ruacanã, also by South Africa. The Calueque project was completed in 1971, and the pumping station is supplying Namibia with a discharge of 1,585 gallons of water a second. Work on the station at Ruacanã has been under way since 1971 (see appendix IV below). According to reports, a second pumping station will be built at Calueque to supply drinking water for humans and cattle over an area of approximately 101,250 hectares on the Angolan bank of the Cunene River.

67. Completion of the Gove Dam, scheduled for March 1974, will increase the capacity of the Matala power station from 51 MW to nearly 100 MW. The construction of a high-voltage line between Matala and the Manquete lagoon substation was also scheduled to be completed in 1974. The Manquete substation will supply power to the various projects to be implemented under the Matunto scheme.

68. Development of the Matunto region is expected to bring 193,000 hectares of land into production, of which 100,000 hectares will be for ranching activities and 93,000 hectares will be for agriculture. According to the plans prepared by the Gabinete do Plano do Cunene, three large agro-industrial companies will be responsible for the processing and marketing of products from the Matunto region and for establishing medium-size farms (80 hectares as an average) for European families (elemento alienígena evoluído). The native population will be allowed to cultivate land under a system of communal property (propriedade comunitária), but small farms varying in size from 5 to 10 hectares will eventually be distributed to those who prove to be able to operate a farm independently (aptidões de emancipação). The Matunto scheme will also include the building of three main urban centres in the areas reserved for agriculture and 16 population centres in the cattle-raising areas. The agro-industrial companies will probably be located in the urban centres. The first phase of the Matunto scheme, which aims at the

agricultural development of 32,650 hectares, was scheduled for completion in the first half of 1974.

69. Work on the second phase of the Cunene scheme was expected to start in 1974 with work on the Jamba-ia-Mina hydroelectric project. The total net capacity of the reservoir in Jamba-ia-Mina will be 480 million cubic metres and the total power to be installed will be 81.5 mW. The project, which is scheduled for completion in 1978, will supply 500 gWh for the palletization of low-grade and medium-grade ores at Cassinga by the Companhia Mineira do Lobito (see also para. 107 below). n/

70. The Portuguese and South African Governments are reported to be maintaining the greatest secrecy concerning the names of contractors involved in the Cunene scheme to avoid possible public reaction against them. In 1973, however, the names of two Portuguese contractors were revealed. Acta-Actividades Eléctricas Associadas, SARL, was granted the contract for the construction of the high-voltage line between Matala and Manquete, and the substation at Manquete. Under the contract, the company will be paid a total of 73.4 million escudos over three years starting in 1973. Coba-Consultores para Obras, Barragens e Planeamento, SARL, was granted a contract in connexion with the construction of the Jamba-ia-Mina project. The contract allows for the payment of a total of 15.9 million escudos over four years, starting in 1973. It was also reported that the colonial Government in Angola had purchased 12 trucks from the Japanese manufacturer, ISUZU, for use on the Cunene project.

Expansion of the Cambambe hydroelectric complex

71. In 1973, it was reported that the Cambambe hydroelectric complex was being expanded. The Cambambe complex on the Cuanza River supplies electric power to the city of Luanda and most of the northern region. Since its establishment in 1957, it has been owned and operated by the Sociedade Nacional de Estudos e Financiamento de Empreendimentos Ultramarinos (SONEFE).

72. Projects under way in 1973 included the construction of a second 220,000-volt distribution line to Luanda and a new distribution line to supply the areas of Gabela, Cela and Novo Redondo, all of which lie south of Cambambe. Both lines were scheduled to start operation in 1974.

73. To meet the growing demand for electric power resulting from industrial expansion in the Luanda area, plans have been made to increase the installed capacity of the Cambambe complex by 40 per cent by 1977. In 1972, the complex had a total installed capacity of 70,916 kW. Also under study is the construction of a new power station at Cambambe, which would involve the building of a dam at Capanda, upstream from the Cuanza River, to regulate its flow. The net reservoir capacity at Capanda would be 3.3 billion cubic metres.

Chicapa hydroelectric project

74. In 1973, the Angola Diamond Company (DIAMANG) awarded contracts for the construction of its new hydroelectric project at Chicapa, 20 kilometres north of Henrique de Carvalho in Luanda District. The main contractor is reported to be the Construções Técnicas de Portugal. Although no details are available, it is indicated that some 90 per cent of the work is to be done by Portuguese companies. The project was planned by the Portuguese company Hidrotécnica Portuguesa (HP).

n/ It had been previously reported that power for pelletization at Cassinga would be supplied from Matala.

75. Companies which would supply equipment to this project include: Companhia Uniao Fabril (CUF), one of the largest Portuguese corporations; Sociedades Reunidas de Fabricações Metálicas, SARL (SOREFAME) of Portugal, which is partly owned by the French companies Neyrpic, SA, and Alsthom-Société Générale de constructions électriques et mécaniques; EIF-Electricidade Industrial Portuguesa of Portugal; J. M. Voith, GmbH, of the Federal Republic of Germany; and Allmänna Svenska Elektriska Aktiebolaget (ASEA), of Sweden. Other suppliers on which no information is available are Mague, Sepsa and Sofomil. According to one source, the cost of the Chicapa project has been estimated at 310 million escudos (122 million escudos for construction work and 188 million escudos for equipment). According to the annual report of DIAMANG for 1972, the total cost has been estimated at 400 million escudos.

76. The Chicapa project will have an installed capacity of five groups of 4 million volt-amperes each. o/ When this project is completed, the total installed capacity of the DIAMANG electric power network will be increased from 17 million to 37 million volt-amperes. Energy from the Chicapa power plant will be distributed to Henrique de Carvalho and other population centres in Luanda District with a view to fostering the colonial occupation of the region. The distribution system for the Chicapa project will include a 150 kW line 145 kilometres in length, and substations at Luo and Lucapa. The contract for construction of the distribution system was granted to EIP-electricidade Industrial Portuguesa. The cost of the system has been estimated at 80 million escudos.

77. In July 1973, the Portuguese Government granted a contract to Acta-Actividades Eléctricas Associadas, SARL, for the construction of a distribution line between Dala and Luso, both in Moxico District. The cost of this line has been estimated at 41.6 million escudos to be paid over a period of six years starting in 1973. It was not clear whether this line would be linked to the DIAMANG electric power network.

o/ Revised figure. Previously reported as three groups of 5 million volt-amperes.

3. TRENDS IN THE EXPLOITATION OF NON-RENEWABLE RESOURCES

78. By 31 December 1972, a total of 1,001,767 square kilometres were under concession in Angola for prospecting of minerals other than petroleum. Eighty-six deposits of minerals other than petroleum were under exploitation and their output in 1972 was valued at 2.8 billion escudos.

79. Considering the size of Angola, the areas under concession to Portuguese and other foreign economic interests represent over 50 per cent of the area of the Territory. It is clear from these figures that, apart from the fact that mining activities are depleting the resources of the Territory under a colonial system of exploitation, they are also used by the colonial Government as a form of occupation of the Territory to slow down the progress of the struggle for national liberation.

80. The following sections summarize information on recent developments in connexion with the major mining operation under way in the Territory.

A. Diamonds

81. Although DIAMANG is the only concern producing diamonds in the Territory, five other companies hold diamond concessions: Consórcio Mineiro de Diamantes, SARL (CONDIAMA); Companhia de Diamantes Oeste de Angola, SARL (OESTEDIAM); Diversa-Internacional de Exploração de Diamantes, SARL; Companhia Ultramarina de Diamantes, SARL (DIAMUL); and Companhia Nacional de Diamantes, SARL (DINACO).

82. In November 1973, the Empresa Mineira de Cacongo (EMICA) applied for an exclusive concession to prospect for and exploit diamond reserves in Cabinda. There is no information on the ownership of EMICA.

DIAMANG

83. It will be recalled that, in June 1972, in his review of the company's policy and objectives, the Chairman of the Board of Directors of DIAMANG emphasized two main preoccupations: (a) the strengthening of security arrangements; and (b) the introduction of social change and economic expansion in the areas of its activities. p/ In June 1973, in a speech delivered at the company's general meeting, he spoke of the company's growing concern with the changing attitude of the local population towards DIAMANG's colonial exploitation of Angola's natural wealth and manpower.

84. He said that most of the population of north-eastern Luanda was living in population centres and aldeamentos (strategic hamlets). As a result, the subsistence economy had practically disappeared, and the production of food crops

p/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. II, chap. IV, annex, appendix I, paras. 52-55.

had been almost discontinued. He acknowledged the influence of the nationalist movements on the local population and emphasized the importance of DIAMANG's efforts to prevent the progress of the liberation struggle in the region. It would be necessary to introduce mechanization, not only for economic reasons, but also for security purposes. Conditions in the region would worsen, however, because of the reduction in employment resulting from the mechanization of DIAMANG operations.

85. To meet the threat of public opposition to the company's activities, the chairman of the Board of Directors proposed a programme of propaganda to encourage the local population to return to agricultural activities. This programme would also include vocational training in trades considered necessary for the economic exploitation of the region, such as carpentry, masonry and bricklaying. The chairman said that DIAMANG would thus be promoting the development of "a large human community which, until recently, had been totally dedicated to hunting and waging war".

86. It also appears from the statement of the chairman that DIAMANG can no longer rely on its Angolan employees. He linked the need to increase benefits to employees to the need to offer a counter-attraction to the appeal of the liberation movements. In conclusion, he pointed out that the problems affecting the region at large, and DIAMANG in particular, had special relevance to the future, and even to the survival, of the company.

87. Although the volume of diamonds produced by DIAMANG in 1972 was 10.7 per cent less than in the previous year, production exceeded 2 million carats, the level which has been maintained since 1969. According to the company's annual report for 1972, diamond production since 1968 was as follows:

<u>Year</u>	<u>Production</u> (carats)
1968	1,667,187
1969	2,021,533
1970	2,395,552
1971	2,413,022
1972	2,155,057

88. As a result of prospecting activities during 1972, 26 new areas were selected for future exploitation. The new areas, containing reserves estimated at 3 million carats, are expected to allow for an increase in production as they replace areas already depleted. By the end of 1972, DIAMANG had located 208 deposits in its concession areas, 125 of which were in the Cuango Basin, 48 in the Chicapa Basin, 16 in the Cuanza Basin, 15 in the Luachimo Basin, 3 in the Longa Basin and 1 in the Cunene Basin.

89. In 1972, the Portuguese authorities received 447.7 million escudos from DIAMANG as their share in the company's net profits. In that year, DIAMANG turned over the equivalent of 506.0 million escudos in foreign currencies to the territorial Government and spent 199.9 million escudos in the Territory in the purchase of goods and as reinvestment.

90. In November 1973, DIAMANG granted a loan of 500 million escudos to the Angola Foreign Exchange Fund to help the Portuguese authorities cover payments in arrears. The loan is for a three-year period at a 3 per cent annual interest and is to be fully repaid by June 1975. It will be recalled that a loan for the same amount and purpose had been granted by DIAMANG to the Angola Foreign Exchange Fund in 1971. q/

CONDIAMA

91. As reported previously, r/ CONDIAMA was formed in 1971 by DIAMANG and De Beers Consolidated Mines, Ltd., of South Africa, with each company holding 49 per cent of the capital. In December 1972, the registered capital was increased from 24 million to 60 million escudos. According to one report, the territorial Government received new shares totalling 3 million escudos. Under the terms of the concession contract, however, the territorial Government should have received 10 per cent of the capital increase.

92. In 1971, CONDIAMA announced that it had found diamonds in the Quipungo concelho in Huíla District; further information on this find is not yet available.

OESTEDIAM

93. In 1972, OESTEDIAM relinquished 50 per cent of the area of its concession under the terms of its contract with the Portuguese Government. In addition to the area retained under its concession, OESTEDIAM requested a concession on areas adjacent to those where it had already found diamonds. There was no information on whether the additional concession has been granted. The entire concession should have been terminated in 1973.

94. According to the company's annual report for 1972, it has spent a total of 29.1 million escudos in the Territory since the beginning of its operation in 1969, mainly on prospecting activities. The company's planned expenditure in the Territory in 1973 was estimated at 12.0 million escudos.

DIAMUL

95. The DIAMUL concession covers 5,286 square kilometres comprising seven blocks in the Gabela-Santa Comba-Cela region of Cuanza-South District. s/ Under the terms of its contract of 1969, DIAMUL was expected to relinquish 50 per cent of its concession area in January 1973. However, the Portuguese authorities granted the company's request for an extension of its entire concession for another year (Decree 357/73, 14 July 1973).

q/ Ibid., para. 58

r/ Ibid., Twenty-sixth Session, Supplement No. 23A (A/8423/Rev.1/Add.1), annex, appendix II.A, paras. 29-34.

s/ For information on the original contract, see Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 23A (A/8023/Rev.1/Add.1), annex, appendix III, paras. 37-38.

DINACO and Diversa

96. There is no information as to whether DINACO and Diversa have applied for an extension of their respective concessions, which should have expired in 1973.

B. Iron ore

97. In 1972, the production of iron ore in Angola dropped to 4.8 million tons (6.2 million tons in 1971). Most of the production came from the Cassinga mines, which are operated by the Companhia Mineira do Lobito. According to that company's annual report for 1972, the decline in production was caused by technical changes at its facilities at Jamba and a drop in the output of the Cateruca deposit which was almost completely depleted. In 1972, exports of iron ore were valued at 1.0 billion escudos (180.7 million escudos less than in 1971, see table 7 below). Apart from the smaller volume of exports, the drop in value was also a result of unfavourable market conditions.

98. In 1973, iron ore exports by the Companhia Mineira do Lobito alone amounted to 6.2 million tons. The countries of destination were Japan, the Federal Republic of Germany, the United Kingdom, France, Italy, Belgium, the United States, Spain and Portugal.

Companhia Mineira do Lobito

99. As at January 1974, the Companhia Mineira do Lobito alone and in association with other companies, held concessions covering more than 200,000 square kilometres of the Territory.

100. It will be recalled that in November 1969, the Portuguese Government extended the Mineira concession, which was originally granted in 1950, to 31 December 1974. t/ The new agreement also provided that the contract would be revised by the end of 1972 to bring it in line with conditions governing other mining concessions in the Territories. In February 1973, the Portuguese Government moved the deadline for revision of the contract to 31 December 1974 in order to wait for the conclusion of negotiations for the association of the Companhia Mineira do Lobito with other foreign interests (Decree 86/73, 23 February 1973).

101. As a result of those negotiations, the Companhia Mineira do Lobito is now associated with Johannesburg Consolidated Investment Company, Ltd. (JCI) of South Africa in the Companhia Mineira do Cunene; and with Portugal's Nuclear Energy Board and the General Mining and Finance Corporation of South Africa in a new company to prospect for and exploit deposits of radio-active minerals (see paras. 110-112 below).

102. The Companhia Mineira do Cunene was granted exclusive mining rights over an area of 27,000 square kilometres along the Cunene River, which had been detached from the area under concession to Companhia Mineira do Lobito (Decree 604/73, 13 November 1973). The concession area includes areas in the districts of

t/ Ibid., para. 61.

Moçâmedes, Huíla and Cunene. Mining rights include all minerals with the exception of diamonds, petroleum and coal. JCI was reported to hold 51 per cent of the share capital, Companhia Mineira do Lobito 39 per cent and the Portuguese authorities in Angola 10 per cent, to which they were entitled free of any charges under contractual obligations. The company was required to have a minimum initial capital of 12 million escudos.

103. The concession was granted for an initial period of three years, extendable for another two years, over 50 per cent of the original area. Minimum expenditure by the Companhia Mineira do Cunene during the first three years was fixed at respectively 6 million, 8 million and 10 million escudos. Areas to be demarcated for exploitation may not exceed 10 per cent of the original area of the concession.

104. The Territory will have the preference of purchasing up to 50 per cent of the annual output. In case of war or serious emergency, the Portuguese Government may restrict the export of minerals produced by the company. Taxes payable to the Portuguese authorities in Angola include a 12 per cent income tax levied on net profits, a 7 per cent royalty on the sale value of minerals produced, an annual contribution of 600,000 escudos to the Overseas Mining Development Fund, and, starting from the fifth year of the signing of the contract, a mining tax which is to be fixed according to the type of mineral under production.

105. According to the annual report of the Companhia do Lobito for 1972, the company received loans from the Portuguese Government totalling 1.4 billion escudos. It also signed several loan contracts with Portuguese and other foreign credit organizations not identified in the report. During the same year, the company turned over the equivalent of 894 million escudos in foreign currencies to the Angola Foreign Exchange Fund.

106. In May 1973, it was reported that two directors of the Companhia Mineira do Lobito visited Japan to discuss new sales contracts with Japanese companies. Under existing contracts, the company has undertaken to export a total of 5.0 billion escudos worth of iron ore to Japan until 1978. By May 1973, it had already exported ore valued at 2.4 billion escudos. Some 50 per cent of the high-grade ore being extracted from the Cassinga mines has gone to Japan.

107. As reported previously, u/ the Companhia Mineira do Lobito has been planning the exploitation and export of low-grade ore reserves, known as the "second phase" of the Cassinga project. According to reports released in 1973, Cassinga reserves of low-grade iron ore have been estimated at 2.0 billion tons. The company expects to start production in 1975 at a rate of 3 million tons of pellets a year, which would correspond in value to the same amount of foreign currencies earned by current exports of high-grade iron ore which now average 6 million tons a year. Production of pellets from low-grade iron ore is expected to increase to 12 million tons a year by 1980. The building of a pelletizing plant was scheduled to start in 1974. The plant will be run by a company in which the following have

u/ Ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol II, chap. IV, annex, appendix I, para. 64.

shares: the Industrial Development Corporation (IDC) and the Union Corporation, Ltd., of South Africa (51 per cent); the Companhia Mineira do Lobito (35 per cent); and the British Steel Corporation, Krupp of the Federal Republic of Germany and Suinor of France (14 per cent). Suinor appears to be a consortium formed by Solmer and Usinor, two companies involved in the preparatory studies for the pelletization of low-grade iron ore at Cassinga.

Companhia do Manganés de Angola

108. It will be recalled that reserves of iron ore at Cassalas-Quitungo, in the area of Cuanza-North District under concession to the Companhia do Manganés de Angola, have been estimated at 80 million tons, of which 33 million tons are high-grade ore (64 to 68 per cent commercial pellets). The cost of the first phase of the project was estimated at 2.0 billion escudos.

109. In 1973, it was reported that the Cassalas-Quitungo project would be implemented by DIAMANG in partnership with a Japanese group. According to another source, the Japanese company involved in the project is C. Itho and Company, Ltd. Work on the project was scheduled to start towards the end of 1973 and production was expected to start in 1976 at an annual rate of 1.8 million tons a year.

C. Radio-active minerals

110. In October 1973, the Portuguese Government granted a concession to a new company for the prospection and exploitation of radio-active minerals and all other minerals with the exception of petroleum and diamonds (Decree 568/73, 17 October 1973), (see para. 101 above). The area of the concession, which was detached from the exclusive concession held by the Companhia Mineira do Lobito, is located between latitude 14°E and 16°E and longitude 12°S and 14°S, thus including areas of Benguela, Huíla and Huambo districts. Concession rights were given for an initial period of three years. Minimum investments during these three years were fixed at 7 million escudos, 10 million escudos and 15 million escudos.

111. The minimum capital of the new company was fixed at 11 million escudos. The Territory is entitled to 14 per cent of the share capital free of charge and to an income tax of 12 per cent on net profits. However, all the following contributions payable to the Portuguese Government may be deducted from the income tax: an annual contribution of 500,000 escudos to the Overseas Mining Development Fund, which will decrease to 200,000 escudos a year after the first five years; an annual contribution of 100,000 escudos to Portugal's Nuclear Energy Board, to be increased to 800,000 escudos a year after the first five years; a royalty whose value was not disclosed; and a mining tax which is fixed according to the type of mineral under production. The Nuclear Energy Board will have preference on the purchase of radio-active minerals, and all sale contracts will require the approval of the Portuguese Government.

112. In September 1973, a similar agreement was reportedly signed by the Nuclear Energy Board and the French company, Total-Compagnie minière at nucléaire (CMN). No further details are available on this concession.

D. Copper

113. In October 1973, it was reported that copper was already being extracted from the Tetelo mines near Maquela do Zombo in the northern part of Uíge District. Production until the end of the year was expected to reach some 20,000 tons. The copper reserves at Tetelo have been estimated at 23 million tons.

114. The Tetelo project is under exploitation by the Sociedade de Investigações Mineiras, Lda. (SIMEIRA), a consortium formed by the Portuguese company, Empresa do Cobre de Angola, SARL, the original holder of the concession, and the Société anonyme du chrome of Switzerland. v/ An expenditure of 35 million escudos has been planned by the consortium for implementation of the first phase of the project.

115. According to the annual report of OESTEDIAM for 1972, the company was negotiating with the Portuguese authorities for authorization to exploit a copper deposit in the area of its diamond concession. The project would receive technical and financial backing from a consortium formed by the Compagnie française d'entreprises minières, métallurgiques et d'investissements (COFREMMI), which is part of the Patino, NV, group, and the Bureau de recherches géologiques et minières (BRGM).

E. Gold

116. In 1973, it was reported that several gold deposits had been found in Angola. In Cabinda District, six gold deposits were found by a local company which was not identified. The deposits are located at Batacaia, Penacacata, Malombo, Gunda, Buco Zau and Chivolo, all in the Maiombe concelho.

117. Another unidentified company with headquarters in Benguela found gold deposits at Maleo and Mupupa, near the Cuito River, in the Dirico area of Cuando-Cubango District.

118. According to one report, the Chromalloy American Corporation was granted a concession by the Portuguese Government to exploit a gold deposit in Angola. No further information is available.

v/ Ibid., Twenty-fifth Session, Supplement No. 23A (A/8023/Rev.1/Add.1), annex, appendix III, paras. 72-80.

Table 6

Angola: mineral production, 1968-1972
(million .escudos)

Minerals	<u>1968</u>		<u>1969</u>		<u>1970</u>		<u>1971</u>		<u>1972</u>	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Diamond (carats)	1 667 133	1 607.8	2 021 332	2 005.7	2 395 552	1 695.9	2 413 021	1 701.8	2 155 057	1 727.2
Iron ore (tons)	3 218 712	466.4	5 477 657	1 085.4	6 090 888	1 318.8	6 157 819	1 293.0	4 830 957	1 024.2
Salt (tons)	72 496	14.9	80 181	15.7	87 743	18.5	90 284	23.0	125 302	31.9
Manganese (tons)	9 150	3.1	29 170	7.3	23 000	6.3	23 000	7.7	37 700	10.3
Rock asphalt (tons)	30 603	1.6	39 282	2.2	36 956	2.1	56 100	3.1	55 517	4.0

Sources: 1969-1972: Angola, Boletim Mensal de Estatística, December, for the respective years.

Table 7

Angola: iron ore exports, principal clients, 1970-1972
(metric tons and million escudos)

	<u>1970</u>		<u>1971</u>		<u>1972</u>	
	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>
Total iron ore exports	6 334 914	1 422.5	5 497 790	1 187.5	5 047 062	1 006.8
Japan	2 496 114	494.5	3 156 005	634.5	2 147 095	426.1
Germany, Federal Republic of	2 308 079	538.4	770 418	160.0	1 009 149	195.5
United Kingdom of Great Britain and Northern Ireland	570 831	155.4	374 765	104.5	442 548	119.4
France	424 381	95.5	632 033	143.5	506 420	88.1
Canada	-	-	-	-	500 000	86.6
Portugal	171 889	42.1	260 697	62.7	288 200	59.9

Sources: Banco de Angola, Annual Report and Economic and Financial Survey of Angola, 1971; and Angola, Instituto Nacional de Estatística, Estatísticas do Comércio Externo, 1972.

Angola: foreign economic interests by nationality and activity

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
1. <u>Belgium</u>		
PETROFINA, SA	Petroleum industry	Owms one third of Companhia de Petróleos de Angola, SARL (PETRANGOL). PETROFINA was reported to have a capital of BF 13.7 million in 1973
Companhia Geral dos Algodões de Angola, SARL (COTOMANG)	Cotton	Registered as a Portuguese company with a capital of 60 million escudos
PETRANGOL	Petroleum industry	PETRANGOL is jointly owned by PETROFINA, the Portuguese Government and other Portuguese interests. PETRANGOL had a capital of 3.1 billion escudos in 1972
ANGOL-PETRANGOL Association	Petroleum prospecting and exploitation	This Portuguese/Belgian-owned venture has a capital of 900.0 million escudos
Angola Diamond Company (DIAMANG)	Diamond mining	Belgian, United Kingdom and United States interests control DIAMANG through De Beers Consolidated Mines, Ltd., and the Angola American Corporation of South Africa, Ltd. Capital: 865.0 million escudos
Société pour la fabrication de matériaux de construction, SA (FADEMAC)	Manufacture of construction materials	Part owner of Cimento de Angola, SARL
Algodoeira Colonial Agrícola	Cotton	Registered as a Portuguese company. Reportedly Belgian controlled
Companhia des Petróleos de Angola (ANGOIL)	Petroleum distribution	Associated with Sinclair Consolidated Oil Corporation and Belgian interests. Capital: 5.8 million escudos

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
2. <u>Denmark</u> Jojgaard and Schulz, AS	Iron mining	Participant in a consortium comprising Fried Krupp and Sociedade de Empreitadas e Trabalhos Hidráulicos, Ltda. which provided a loan to the Cassinga project
3. <u>France</u> ANGOL-TOTAL Association	Petroleum prospecting and exploitation	Association comprising Sociedade Portuguesa de Exploração de Petróleos, SARM (ANGOL) and Compagnie française des pétroles, SA, through its subsidiary TOTAL-compagnie africaine des pétroles
Péchiney Ugine Kuhlmann	Aluminium	Reported to have a capital of F 430.0 million. owns Aluminio Português (Angola), SARM
Compagnie française des pétroles, SA	Petroleum	Part owner of ANGOL through its Portuguese subsidiary Sociedade Anónima Concessionária da Refinação de Petróleos em Portugal, SARM (SACOR). Capital: \$US 468.0 million. Parent company of TOTAL - Compagnie africaine des pétroles
Companhia Mineira do Lobito	Iron ore mining	The company is part of a multinational consortium including interests from France, the Federal Republic of Germany, Portugal and South Africa. Capital: 1.2 billion escudos, of which 68 per cent is held by the Portuguese Government
PETRANGOL-ANGOL-TEXACO Association	Petroleum prospecting	...

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
3. <u>France (cont'd.)</u>		
Société française d'études et réalisations ferroviaires (SOFERRAIL)	Transport	Contract to study Angola's transportation system
Meyrpic, SA	Engineering, ship building	Part owner of Sociédades Reunidas de Fabricações Metálicas, SARL (SOREFAME)
Compagnie financière Eternit, SA	Industrial production	Part owner of Lupral-Lusalite e Previdente de Angola, SARL
Alsthom-Société générale de constructions électriques et mécaniques	Engineering, ship building	Part owner of SOREFAME
4. <u>Germany, Federal Republic of</u>		
Deutsche Union Bank	Credit financing	Heads banking consortium which provided a loan to the Cassinga project
Fried Krupp	Iron mining	See No. 2 above. Capital: \$US 150.0 million
Companhia Mineira do Lobito	Iron ore mining	See No. 3 above
Hamburgische Landesbank	Credit financing	Heads a German consortium which provided a loan to the Cassinga project
J. M. Voith, GmbH	Electrical equipment	Supplied equipment to the Chicapa hydroelectric project

Table 3 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
5. <u>Italy</u> Monte dei Paschi di Siena	Credit financing	Part of a banking consortium, comprising the Bankers Trust Company of London and the Lavoro Bank, AG, of Zurich, financing the Cassinga mining operations of Companhia Mineira do Lobito
6. <u>Netherlands</u> Bataafse Petroleum Maatschappij, NV (now Shell Petroleum, NV)	Petroleum	Associated with the Royal Dutch/Shell group
7. <u>Portugal</u> ANGOL	"	Owned by the Portuguese companies Combustiveis Industriais e Domesticos, SARL (CIDLA), Grupo Borges e Irmão and SACOR. SACOR is a subsidiary of the Compagnie française des pétroles, SA. Capital: 937.9 million escudos
ANGOL-PETRANGOL Association	Petroleum prospecting	See No. 1 above
Companhia de Minérios do Ultramar	Diamond mining	Represents Portuguese, South African and United States interests. Capital: 150.0 million escudos
DIAMANG	"	See No. 1 above
Companhia Mineira do Lobito	Iron ore mining	See No. 3 above

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
7. <u>Portugal</u> (cont'd.)		
Companhia de Diamantes Oeste de Angola, SARL (OESTEDIAM)	Diamond prospecting	Has the financial and technical backing of Diamond Distributors, Inc. of the United States which holds a 73 per cent share. Initial registered capital: 15.0 million escudos
Companhia Ultramarina de Diamantes, SARL (DIAMUL)	Diamond mining	Portuguese and United States shareholders. Capital: 15 million escudos
Companhia Nacional de Diamantes, SARL (DINACO)	"	Registered as a Portuguese company. Owned by the Anchor Diamond Corporation, Ltd. of South Africa. Capital: 10.0 million escudos
Companhia dos Fosfatos de Angola (COFAM)	Phosphate	Represented by the Companhia União Fabril (CUF). Portuguese, United Kingdom and United States interests hold one third each of the share capital of COFAM
Companhia Agrícola Arbor-Acres CUCA (AVICUCA) SARL	Poultry industry	Part of the CUCA group and partly owned by Arbor Acres (Pty.) of Southern Rhodesia. Capital: 21.7 million escudos
Companhia de Cimento SECIL do Ultramar, SARL	Cement factory	Owned by the Portuguese group SECIL and FLS Overseas, AS, and Ejendomsaktieselskabet Biblioteksgaarden. Capital: 433.3 million escudos
SOREFAME	Engineering ship building	Partly owned by the French companies Neyrpic, SA, and Alstom-Société générale de constructions électriques et mécaniques. Capital: 35.7 million escudos
Diversa-Internacional de Exploração de Diamantes, SARL	Diamond prospecting	Portuguese subsidiary of Diversa, Inc. of the United States. Capital: 10.0 million escudos

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
7. <u>Portugal (cont'd.)</u>		
Lupral-Lusalite e Previdente de Angola, SARL	Manufacture of cement products	Owned by a group including the Portuguese companies Companhia Previdente, SARL, Fabrica das Antas, SARL, and the French companies Compagnie financière Eternit, SA and Eternit, SA. Capital: 78.6 million escudos
Condêl-Fábrica de Condutores Eléctricos do Ultramar, SARL	Manufacture of electric cables	Subsidiary of CEL-CAT Fábrica Nacional de Condutores Eléctricos, SARL, of Portugal, which is a subsidiary of British Insulated Callender's Cables, Ltd., London. Capital: 33.3 million escudos
Cimento de Angola	Manufacture of cement and other construction materials	Partly owned by FADEMAC of Belgium. Capital: 40.0 million escudos
Agroquímica de Angola, SARL	Manufacture of insecticides	A subsidiary of SACOR, which is a subsidiary of the Compagnie française des pétroles, SA, of France
ANGOIL	Petroleum distribution	See No. 1 above
Alumínio Português (Angola), SARL	Tires	Controlled by French company Péchiney Ugine Kuhlmann. Capital: 60.0 million escudos
Algodoeira Colonial Agrícola	Cotton	See No. 1 above
Empresa dos Tabacos de Angola SARL (ETA)	Tobacco manufacture	Owned by the Empresa Agro-Industrial de Angola (EMANGOLA) and the British-American Tobacco Company, Ltd. (BAT)

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
7. <u>Portugal (cont'd.)</u> MABOR	Rubber industry	Owned by Portuguese Government and private enterprises, in association with General Fire and Rubber Company of the United States. Capital: 60.0 million escu�os
8. <u>South Africa</u> African Oxygen, SARL	Oxygen plant	Shareholder of Anglo-African Oxygen, also British participation. See No. 12 below
Amalgamated Packaging Industries, Ltd. (API)	Packaging industry	Owns a cardboard packaging plant in the Territory, in association with Companhia Uni�o de Cervejas de Angola (CUCA). Capital: R 2.8 million
Anglo American Corporation of South Africa, Ltd.	Various	In addition to other interests participates in Sociedade de Explora�es Mineiras Africanas. Capital: R 20.0 million
Angola Exploration Company (Pty.), Ltd.	Diamond mining	...
Bonus Investment Corporation of South Africa, Ltd. (BONUSCOR)	Petroleum	Participates in South African consortium holding an interest in the ANGOL-PETRANGOL concession. Capital: R 20.0 million
Bancc Totta-Standard de Angola	Banking	Associated with Standard Bank of South Africa (United Kingdom, United States and South African interests)

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
8. <u>South Africa (cont'd.)</u>		
Companhia de Minérios do Ultramar	Diamond mining.	Portuguese, South African and United States interests. Capital: 150.0 million escudos
De Beers Consolidated Mines, Ltd.	"	Belgian, United Kingdom and United States interests control DIAMANG, through De Beers and the Anglo American Corporation of South Africa, Ltd.
Federal Mynbou Beperk	Petroleum	Participates in a South African consortium holding an interest in the ANGOL-PETRANGOL concession. Capital: R 12.0 million
General Mining and Finance Corporation, Ltd.	"	Federal Mynbou Beperk and its subsidiary Hollandstraat-Ses Beleggings (Edms.), Beperk, acquired a controlling interest of 42 per cent in General Mining and Finance Corporation, Ltd. Capital: R 12 million
South African Angolan Investments, Ltd.	Fisheries	Holds principal capital in União Angolana de Pesca e Indústria. Subsidiary of Anglo American Corporation
Induscom Internationale	Petroleum	Subsidiary of BONUSCOR
Sociedade de Explorações Mineiras Africanas	Copper mining	Associated with Anglo American Corporation
Tesh Beleggings (Edms.), Bpk.	Petroleum	...
Companhia Mineira do Lobito	Iron ore mining	See No. 3 above
Anchor Diamond Corporation, Ltd.	Diamond mining	Owens the Companhia Nacional de Diamantes, SARL (DINACO) which has a capital of 10.0 million escudos. Capital: R 1.5 million

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
9. <u>Southern Rhodesia</u> Arbor Acres (Pty.)	Poultry industry	Shareholder of AVICUCA
10. <u>Sweden</u> Allmänna Svenska Elektriska Aktiebolaget (ASEA)	Electrical equipment	Supplies equipment to Chicapa hydroelectric project
Volvo	Automobile industry	Owms an assembly plant. Capital: \$US 119.1 million
11. <u>Switzerland</u> Lavoro Bank, AG	Credit financing	See No. 5 above
12. <u>United Kingdom of Great Britain and Northern Ireland</u> Bankers Trust Company	Credit financing	See No. 5 above
British Oxygen Company, Ltd.	Oxygen plant	Shareholder of Anglo-African Oxygen which has built an oxygen plant in Angola in co-operation with British Oxygen's South African subsidiary, African Oxygen, and a Portuguese company. Capital: \$US 191.0 million
Sociedade Agrícola do Cassequel	Coffee, sugar, sisal	Portuguese participation. Capital: 175.0 million escudos
COFAN	Phosphate	United Kingdom, Portuguese and United States interests hold one third each of the share capital of COFAN. The British interests are represented by the industrial group Bath and Portland. See No. 7 above

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
12. <u>United Kingdom of Great Britain and Northern Ireland (cont'd.)</u>		
Sociedade Anglo-Portuguese de Automóveis	Automobile industry	Subsidiary of British Leyland Motor Corporation, Ltd., London
Tanganyika Concessions, Ltd.	Railway	Owms 20 per cent of the Benguela Railway. Its subsidiary in Angola is the Companhia do Caminho do Ferro de Benguela. Through its association with the Belgian company Union Minière, SA, Tanganyika Concessions, Ltd., has an interest in Péchiney Ugine Kuhlmann of France, which owns Aluminio Português (Angola), S.A.R.L. Capital: \$10.0 million
DIAMANG	Diamond mining	See No. 1 above
British Insulated Callender's Cable, Ltd.	Manufacture of cables	Its subsidiary is the CEL-CAT Fábrica Nacional de Condutores Eléctricos, S.A.R.L of Portugal, which has a subsidiary in Angola, Condel-Fábrica de Condutores Eléctricos do Ultramar, S.A.R.L
BAT	Tobacco manufacture and others	Part owner of ETA together with EMANGOLA
Companhia Portuguesa Rádio Marconi	Radio and telephone communications	Subsidiary of Cable and Wireless, Ltd., and has a monopoly of radio and telephone communications between Portugal and the Territories
Consórcio Mineiro de Diamantes, S.A.R.L (CONDIA'MA)	Diamond mining	A consortium that is jointly owned by DIAMANG and De Beers. The Angolan Government owns 10 per cent of the shares
Imperial Chemical Industries, Ltd. (ICI)	Chemical industry	Subsidiary of ICI of London

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
<u>12. United Kingdom of Great Britain and Northern Ireland (cont'd.)</u>		
Racal Electrónica, Lda.	Designs radio equipment for military use	Subsidiary of Racal Electronics, Ltd.
Reckitt e Colman, Lda.	...	Subsidiary of Reckitt and Coleman, Ltd.
EKA-Empresa Angolana de Cervejas	Beer	Owned by Whitbread and Company, Ltd., of London., and the Société d'assistance industrielle et commerciale of Belgium
Alliance Assurance Company, Ltd.	Insurance	Member of the Sun Alliance and London Assurance Group
Commercial Union Insurance	Insurance	...
<u>13. United States of America</u>		
Diamond Distributors, Inc.	Diamonds	Participant in OESTEDIAM, of which it holds a 73 per cent share
Export-Import Bank	Credit financing	Loan to Cassinga project
General Electric Company	Transportation equipment	Loan to Cassinga and to the Angolan Government to purchase diesel locomotives. Capital: \$US 2.3 billion
General Tire and Rubber Company	Rubber industry	Part owner of MABCO, a Portuguese government and private enterprise company, which manufactures tires. Capital: \$US 354.0 million

Table C (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
13. <u>United States of America (cont'd.)</u>		
Cabinda Gulf Oil Company	Petroleum and phosphate	Wholly-owned subsidiary of the Gulf Oil Corporation.
Interamerican Capital Corporation of New York	Credit financing	Loan to Sociedade Angolana de Tecidos Estampados (SATEC)
Tenneco Angola, Inc.	Petrochemical industry	Subsidiary of Tenneco Inc. Capital: \$US 1.3 billion
Universal Leaf Tobacco Company	Tobacco	Part owner of the Sociedade Exportadora de Tabacos de Angola, Lda.
Texaco Petróleos de Angola, S.A.R.L.	Petroleum	Subsidiary of Texaco, Inc. of the United States with a capital of \$US 4.9 billion. Texaco Petróleos de Angola has a capital of 113.7 million escudos
Amoco Cuanza Petroleum Company	"	Subsidiary of the Standard Oil Company (Indiana), one of three United States companies which signed farm-out contracts with the ANGOL-PETRAMGOL Association for off-shore areas of its concession in the Cuanza River basin
Occidental Petroleum Corporation	"	One of three United States companies which signed farm-out contracts with PETRAMGOL ANGOL Association
Continental Oil Company	"	

Table 8 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
13. <u>United States of America (cont'd.)</u>		
Argo Petroleum Portuguesa (Pesquisa e Exploração de Petróleos, S.A.R.L.)	Petroleum	Holds a petroleum concession in Angola. Subsidiary of the Argo Petroleum Corporation of Los Angeles
Diversa, Inc.	Diamond	Controlled by United States and Portuguese interests. See No. 7 above. Capital: 10.0 million escudos
Esso Exploration, Inc.	Petroleum concession	Subsidiary of the Exxon Corporation. Colonial authorities in the Territory hold 20 per cent of the share capital free of charge
Amerada Hess Corporation Cities Service Company, Inc. Sun Oil Company	"	Association of three United States companies required to establish a Portuguese company which will be the official holder of the concession
COFAN	Phosphate	See No. 7 above
DIAMUL	Diamond	"
DIAMANG	Diamond mining	See No. 1 above
Companhia de Minérios do Ultramar	"	See No. 7 above

Table 9

Angola: capital investment and activities of major foreign companies

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Angola</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
1. <u>Belgium</u>				
PETROFINA, SA	BF 13.7 million	PETRANGOL	3,090.4	Exploration and production of petroleum
		ANGOL-PETRANGOL Association	900.0	Petroleum prospecting and exploitation
2. <u>France</u>				
Compagnie française des pétroles, SA	F 1.1 billion	ANGOL	380.0	Prospecting, exploration and production of oil
		ANGOL-PETRANGOL Association	900.0	"
		TOTAL-Compagnie africaine des pétroles	2.0 (million francs)	"
Péchiney Ugine Kuhlmann	F 430.0 million	Aluminio Português (Angola), SARL	60.0	Aluminium
Alsthom-Société générale de constructions électriques et mécaniques	F 704.0 million	SORFFAME	35.7	Engineering and ship building

Table 9 (continued)

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Angola</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
3. <u>South Africa</u>				
Anchor Diamond Corporation, Ltd.	R 1.5 million	DIVACO	10.0	Diamond mining
De Beers Consolidated Mines, Ltd.	R 22.8 million	DIAMANG	865.0	Diamond mining
Anglo American Corporation of South Africa, Ltd.	R 20.0 million	DIAMANG	865.0	Diamond mining
		Sociedade de Explorações Mineiras Africanas	...	Mining and prospecting
		União Angolana de Pesca e Indústria	...	Fisheries
BOMUSCOR	R 20.0 million	ANGOL-PETRANGOL Association	900.0	Petroleum prospecting and exploitation
Federal Mynbou Bank	R 12.0 million	ANGOL-PETRANGOL Association	900.0	"
Standard Bank of South Africa	£112.0 million	Banco Totta - Standard de Angola	150.0	Banking

Table 9 (continued)

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Angola</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
<u>4. United Kingdom of Great Britain and Northern Ireland</u>				
British Oxygen Company, Ltd.	\$US 191.0 million	Anglo-African Oxygen	...	Oxygen plant
Tanganyika Concessions, Ltd.	£10.0 million	Alumínio Português (Angola), SARL	60.0	Aluminium
		Companhia do Caminho do Ferro de Benguela	...	Railway
<u>5. United States of America</u>				
Argo Petroleum Corporation	\$US 9.5 million	Argo Petroleum Portuguesa (Pesquisa e Exploração de Petróleos), SARL	110.0	Petroleum
General Tire and Rubber Company	\$US 354.0 million	MABOR	60.0	Tire factory
Gulf Oil Corporation	\$US 4.2 billion	Cabinda Gulf Oil Company	42.9	Petroleum and phosphate
Standard Oil Company (Indiana)	\$US 1.2 billion	Amoco Cuanza Petroleum Company	...	Petroleum
Tenneco, Inc.	\$US 1.4 billion	Tenneco Angola, Inc.		Petrochemical industry
Texaco, Inc.	\$US 4.9 billion	Texaco Petróleos de Angola, SARL	113.7	Petroleum exploration

APPENDIX II*

MOZAMBIQUE

CONTENTS

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* This working paper was prepared before 25 April 1974.

INTRODUCTION

1. At the request of the Special Committee, the Secretariat, in 1965 and 1966, prepared a series of seven working papers containing background information for the study undertaken by Sub-Committee I on the activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Territories under Portuguese domination. These working papers contained information on mining; land concessions, occupation and settlement; agriculture and processing industries; foreign-owned railways in Angola and Mozambique; and Mozambique's economic relations with South Africa and Southern Rhodesia. a/

2. Since then, a study has been prepared each year giving information on new capital investments and other economic activities, with special reference to foreign interests. b/ These studies, taken together, show clearly how foreign economic interests dominate the colonial economy in Mozambique. The present study highlights the growing concentration of foreign interests in the accelerated exploitation of energy and non-renewable resources. Foreign economic interests in the other sectors are summarized in tables 7 and 8 below.

1. ECONOMIC EXPANSION AS COLONIAL EXPLOITATION

3. In the past, Portugal has exploited the colonial economy of Mozambique to obtain mainly agricultural products, such as sugar cane, cotton, cashews, vegetable oils and tea. The discovery of large reserves of coal and iron ore and the substantial hydroelectric potential of the Territory are changing the trends of colonial exploitation in the Territory.

4. Foreign economic interests were initially concentrated in commercial agriculture. As a result of the discovery of energy and mineral resources in the Territory, more foreign capital is being invested in the mining and energy sector as indicated below.

5. Since the colonial market sector of Mozambique is small (the gross internal product did not reach \$US 3 billion in 1973), the large investments in the Cabora Bassa hydroelectric project have had a serious inflationary impact on the colonial economy (see table 1 below).

a/ Official Records of the General Assembly, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V, appendix, annexes I and II; *ibid.*, Twenty-first Session, Annexes, addendum to agenda item 23 (A/6300/Rev.1), chap. V, annex, appendices I to V.

b/ For the most recent, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 A (A/8423/Rev.1/Add.1), annex, appendix II.B; *ibid.*, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), vol. II, chap. IV, annex, appendix II.

Table 1

Mozambique: gross internal product, 1963-1973^{a/}

<u>Year</u>	<u>Gross internal product</u> <u>at market prices</u>		<u>Gross internal product</u> <u>at 1963 prices</u>	
	<u>Million</u> <u>United</u> <u>States</u> <u>dollars</u>	<u>Million</u> <u>escudos</u>	<u>Relatives</u> <u>1963=100</u>	<u>Relatives</u> <u>1963=100</u>
1963	1 250	29 849	100	100
1964 (estimate)	1 100	32 000	107	104
1965 (estimate)	1 180	34 000	114	109
1966	1 260	36 633	123	114
1967	1 550	38 916	130	118
1968	1 460	42 237	141	128
1969	1 580	45 494	152	139
1970	1 850	53 351	179	157
1971	2 060	59 239	198	167
1972 (estimate)	2 330	63 400	212	176
1973 (estimate)	2 820	66 000	222	189

Sources: Portugal, Presidência do Conselho, III Plano de Fomento, Relatório de Execução em 1969, Lisbon, 1971; Banco Nacional Ultramarino, Boletim Trimestral, No. 90, 1972; Actualidade Económica, No. 384, 1973.

a/ Annual figures include an estimate for the output of the subsistence sector.

6. Although foreign economic interests are attempting to intensify the exploitation of Mozambique's mineral resources, the impact of the struggle for national liberation being waged by the Frente de Libertação de Moçambique (FRELIMO) has led some foreign groups to suspend their prospecting activities in the Territory.

2. CONTROL OF ENERGY RESOURCES

7. As reported previously, Mozambique possesses both hydroelectric resources and extensive coal deposits. Although no petroleum has been discovered, a number of foreign-owned companies are actively prospecting both on shore and along the continental shelf.

8. At present, Mozambique not only fully covers its own electric energy needs but also exports a considerable surplus to Southern Rhodesia. The construction of vast hydroelectric power schemes such as the Cabora Bassa dam, the Massingir River dam and other smaller projects, highlights the role that Portugal expects the Territory to play as a source of energy for Southern Africa.

9. In addition, the prospects of cheap hydroelectric power in the Territory have already begun to stimulate interest in the exploitation of its non-renewable resources by Portuguese and other foreign capital. Viewed within the over-all context of the increased demand of industrialized market economies for new reserves of non-renewable resources, the pattern of exploitation and control of Mozambique's economy becomes clear.

A. Electric energy

10. Production of electric energy in Mozambique in 1972 reached 671.1 million kWh (an increase of 120.1 million kWh compared with 1971), of which 388.4 million kWh were produced by water power (57.9 per cent). The Territory's total energy consumption in 1972 was 633.1 million kWh.

11. The largest producers of electric energy in the Territory are the Sociedade Nacional de Estudos e Financiamento de Empreendimentos Ultramarinos, SARL (SONEFE), which serves the district of Lourenço Marques, and the Sociedade Hidro-Eléctrica do Révuè, SARL (SHER), which serves the districts of Beira and Vila Pery and the Umtali region in Southern Rhodesia. Both are privately owned enterprises, and together they accounted for 85 per cent of all energy produced in the Territory in 1972. SONEFE produced 288.3 million kWh, and SHER 283.0 million kWh.

12. In addition to the electricity supplied by SONEFE, Lourenço Marques district was also supplied with 15.6 million kWh from South Africa, through the Electric Supply Commission (ESCOM).

13. The total energy supplied by SHER in 1972 amounted to 268 million kWh, an increase of 10.6 per cent over 1971. Its major clients were the Electric Supply Commission of Southern Rhodesia, which purchased 95.5 million kWh (35.6 per cent) of all the energy produced; Companhia de Cimentos de Moçambique, SARL, 24.2 million kWh (9 per cent); Açucareira de Moçambique, SARL, 21.4 million kWh (8 per cent); Sociedade de Fomento Colonial, SARL, 14.6 million kWh (5.4 per cent); and the Beira port, 7.1 million kWh (2.6 per cent).

14. In addition to the SONEFE and SHER generating plants, Mozambique has some 770 thermo-electric stations and small hydroelectric schemes which adequately cover local needs.

Cabora Bassa project

15. Details on the Cabora Bassa hydroelectric project appear in the reports of the Special Committee for 1970 to 1973. c/ No changes have been reported on the composition of the consortium, Zambo-Zambeze Consórcio Hidroelétrico, Lda., which was awarded the contract in 1969 for 8.8 billion escudos, d/ nor on the original financing arrangements. New developments during 1973 are summarized below.

(a) Construction of the dam

16. According to Portuguese press reports, work on the project continues on schedule. The first power station, which is expected to have an installed capacity of 2 million kW, was completed in early 1974, reportedly six months ahead of schedule, including the power transmission lines to South Africa, each 880 kilometres long. The Cabora Bassa Lake is expected to start filling in September 1974, and the delivery of electricity from Cabora Bassa to Johannesburg is expected to begin by mid-1975. Construction on the second power station, on the northern bank of the Zambezi River, was reported to have begun in March 1974. When completed, it will have an installed capacity of 3.6 million to 4.0 million kW.

17. By January 1974, about 386,000 cubic metres of concrete had already been used on the project, about 64 per cent of the total to be used. The cement is provided by the Companhia de Cimentos de Moçambique, SARL, mainly from its plant at Nova Maceira, Beira District, through the Moatize rail line. It will be recalled that, in order to meet the increasing needs of the project, the company spent some 400 million escudos in 1972 on the expansion of the Nova Maceira plant.

18. The Cabora Bassa dam project is part of a vast scheme for the development of the entire Zambezi Valley, with a view to bringing into use thousands of hectares of land for settlement and agricultural production. According to the original plan, at the conclusion of the first stage of the project, 80,936 hectares of land will have been irrigated, and once the entire scheme is completed, some 3.2 million hectares will eventually benefit from the irrigation project.

19. The government body responsible for supervising the Cabora Bassa project and the Zambezi Valley Development Scheme is the Zambezi Development Planning Office (Gabinete do Plano do Zambeze (GPZ)). The Planning Office provides central and regional services in connexion with the entire project. Contracts awarded by the Planning Office during 1973 included one for 5 million escudos to Empresa Técnica de Levantamentos Aéreos, Lda. (ETLAI), for aerial mapping of approximately

c/ For the most recent, see Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix II, paras. 69 et seq.; ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix II, paras. 13 et seq.

d/ Twenty-seven escudos equal approximately \$US 1.00.

100,000 square kilometres, of the Zambezi Valley at a scale of 3/30,000 (Portaria 421/73, 14 June 1973). The Planning Office was also authorized to sign contracts during 1973 for: (a) a study of the development potential of the Zambezi Valley (19 million escudos); (b) deforestation works of an area of 150 hectares in the Cabora Bassa area (7.5 million escudos); (c) construction of houses in the town of Tete (6.5 million escudos); (d) water treatment in the urban centre of Cabora Bassa (2.1 million escudos); and (e) the construction of the final water reservoir in the Songo plateau. Information is not yet available on the awarding of the contracts and the identity of the firms involved.

20. In July 1973, the Planning Office was granted an advance of 209 million escudos by the Ministry of Finances as a long-term loan. These funds were supplementary to the budget of 476.5 million escudos allocated to the Office in 1973. The 1974 budget of the Planning Office was set at 515.8 million escudos (Portaria 601/74, 31 January 1974).

(b) Resettlement of the African population

21. As the construction of the Cabora Bassa project proceeds, more and more of the local populations living in the areas which will eventually be taken over by the lake are being resettled.

22. In December 1973, a spokesman from the Zambezi Development Planning Office said that over 40,000 persons had been resettled during the year under the rural reordenamento plan of the Zambezi River Valley. This included 6,010 persons resettled in 4 aldeamentos in Sena; 9,760 persons in 9 aldeamentos in Caia; and 22,300 in 15 aldeamentos in Barué. All of these areas will be covered by the Cabora Bassa Lake. In addition, other sources indicate that 3,600 persons have been resettled in 4 new aldeamentos in the area of Chicoa, along the south bank of the Zambezi River. In Estima and Changara-Mazoi, an area of 330 hectares of land was prepared and distributed to 360 new farmers. There are already 14,000 persons resettled in the area of Estima in 14 aldeamentos.

23. In Zambézia District, studies for the resettlement plans of Morrumbala, Mopeia and Milange, which comprise an area of 17,000 square kilometres, have been completed. Other areas are still under study for resettlement plans and are expected to include 50,000 square kilometres by the end of 1975.

Massingir dam

24. The Massingir River dam, under construction on the Elefantes River in Gaza District, is scheduled for completion in 1975. The project will provide for the irrigation of 97,000 hectares of the Limpopo Valley, and the irrigated area will be increased by 160,000 hectares after the construction of the Mapai River dam (see below).

25. A contract of 70.5 million escudos for the first phase of construction of the Massingir project was awarded in August 1971 to Constructora do Tâmega, Lda. e/

e/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix II, para. 29.

In October 1973, the same concern was awarded a contract of 327 million escudos for the second phase (Portaria 712/73, 17 October 1973). In order to guarantee financial backing for the project, the National Development Bank of Portugal granted a loan of 250 million escudos to the territorial Government to finance the contract. This was the second loan granted by the Bank in connexion with the Massingir project. f/

26. The dam is part of a general development scheme for the Limpopo Basin, which it is estimated will cost R 49 million. g/ The full plan, which will spread over six years, includes the construction of another dam in the Mapai River, and the provision of water to the Changane Valley. One of the main purposes of this dam is to control the seasonal flow of the southern rivers in order to prevent the floods which periodically ruin crops and cattle ranches.

27. In addition to the dam itself, a series of related works are under way in the Massingir region, including construction of feeder roads and a generating plant. Also, as was the case in the Cabora Bassa project, the populations living in the areas which will eventually be inundated when the lake is filled, will be resettled in aldeamentos. The project calls for the construction of four such aldeamentos, two on each bank of the river; resettlement of the population involved is expected to be completed by 1975.

28. A new airport to serve the project and the nearby town of Massingir, constructed by the Companhia de Destroncas e Aluguer de Máquinas, SARL (CODAM), at a cost of 4.4 million escudos, was inaugurated in 1973. The airport, which is capable of receiving Fokker Friendship planes, has a 1,600-metre air strip and is linked to the town of Massingir by a road 1.85 kilometres in length. CODAM is also involved in the Cabora Bassa Project.

29. Another small scheme, the Maué River project, was also completed in 1973 in the Angónia region, Tete District. The cost of this project, which will supply the town of Vila Coutinho with water and electricity and will irrigate thousands of hectares of land, was estimated at 11 million escudos. A number of other smaller projects, either under construction or in the planning stage, include the Alto Malema dam on the Licungo River, Zambézia District; the Mapai River dam, Gaza District; the Corumana dam, on the Sábiè River, Lourenço Marques District; and the Chibuto-Maniala and Pequenos Libombos projects, also in Lourenço Marques District.

30. The Mapai River dam is part of the Limpopo Basin development scheme, and its construction is to begin after completion of the Massingir project. The project, which it is estimated will cost 57.5 million escudos, envisages the irrigation of 169,000 hectares of land and may also be used for power production.

31. The Alto Malema dam will supply electric energy to the towns of Nacala and Nampula in Moçambique District, h/ and eventually to Vila Junqueiro in Zambézia

f/ Ibid.

g/ One rand (R 1.00) equalled \$US 1.49 at 24 April 1974.

h/ In May 1973, Moçambique District was divided into two districts: Nampula, with the town of Nampula as its capital, and Ilha, with the town of Moçambique as its capital. The division entered into force on 1 January 1974.

District, Nova Freixo in Niassa District, and later to Porto Amélia, in Cabo Delgado District. The project, which it is estimated will cost 450 million escudos, is scheduled for completion in 1977. A lake with an estimated storage capacity of about 135 million cubic metres will be created and the dam will be 50 metres high and 270 metres long. The power station to be built near the dam will have an installed capacity of 40,000 kW.

32. The Corumana dam will cost 550 million escudos and will irrigate some 60,000 hectares of land. The dam will serve to increase the flow of the Incomáti River, of which the Sábiè River is an affluent, and will be connected with the Lourenço Marques system. The installed capacity of the Corumana power station will be only 15,000 kW.

33. The Chibuto and Maniala dam projects, also on the Sábiè River, in Lourenço Marques District, are being financed by the Livestock Development Fund. The dams will each be 8 metres high and 300 metres long, and the reservoirs will each hold some 500,000 cubic metres. The project, scheduled for completion in September 1975, will cost an estimated 8 million escudos.

34. The Pequenos Libombos project is a smaller project to increase the water supply to Lourenço Marques. The work is divided into two phases, each to cost an estimated 200,000 escudos.

35. In addition to these schemes, preliminary studies are under way for the construction of the Moamba-Majoè dam on the Incomáti River, Lourenço Marques District, as well as for an inventory of the hydroelectric resources of the Licungo, Lúrio, and Búzi river basins.

36. Expenditure within the energy sector under the Third National Development Plan in 1973 amounted to 1.8 billion escudos (21.9 per cent of the total investments) and included: 135.4 million escudos for the expansion of the Limpopo and Nacala power stations; 67.7 million escudos for the expansion of the distribution circuit of Limpopo and Nacala, construction of a new supply line to Lourenço Marques and of a second line from Mavúzi to Beira; and 1,535.0 million escudos for the Cabora Bassa dam project. In addition, allocations under irrigation and settlement included 273.0 million escudos for the Massingir River dam and 53.0 million escudos for the Zambezi Development Planning Office.

B. Petroleum

37. Mozambique is not an oil producing country, but it has a refining industry to meet local demand and provide for exports. The refinery, located at Matola, Lourenço Marques District, is owned and operated by the Sociedade Nacional de Refinação de Petróleos, SARL (SONAREP). i/

i/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix II, paras. 65-66.

38. Although the effects of the 1973 Arab oil embargo on the Territory cannot be fully evaluated until statistical data are available for 1973, a major development in this connexion was the report that the Cabinda Gulf Oil Company of Angola, a subsidiary of the Gulf Oil Corporation of the United States of America, had agreed to meet the needs of the SONAREP refinery (see appendix I above, para. 14). It was further reported that, since the petroleum produced in Cabinda is of a high wax content, the Gulf Oil Corporation would negotiate with Iran for the supply of petroleum to Mozambique. Before the embargo, most of Mozambique's imports of petroleum products came from the Arab countries. In 1972, Iraq supplied 80.9 per cent of all the petroleum imported by Mozambique, Saudi Arabia, 8.2 per cent and Iran 7.6 per cent (see table 4 below). Iraq supplied crude petroleum, and Iran and Saudi Arabia supplied refined petroleum products.

39. According to official Portuguese statistics, the products processed at the SONAREP refinery are exported mainly to South Africa and Portugal, or supplied to navigation (see table 5 below). Other sources, however, report that Southern Rhodesia is also an important client.

40. It should be noted that SONAREP, through its subsidiary Sociedade Nacional de Petr6leos de Moçambique (SONAPMOC), is responsible for the supply of petroleum products to civilian and military planes, as well as to the armed forces stationed in the Territory. It would appear, therefore, that the embargo would have a direct impact on the activities of the military forces operating in Mozambique against the national liberation forces.

41. According to the 1972 reports of SONAREP and SONAPMOC, the effects of the world-wide increase in the price of petroleum products caused by the demands of industrialized countries had already begun to be felt in the Territory. The problem was considered particularly serious in view of Mozambique's dependence on the Persian Gulf.

Petroleum prospecting

42. It will be recalled that the intensive search for petroleum in Mozambique began in 1967 with the granting of petroleum concessions to international groups. j/

43. By November 1973, only the Hunt International Petroleum Company, one of the five international groups which had been engaged in petroleum prospecting since 1967, remained active. Of the remaining four, the Sunray, Skelly and Clark consortium of the United States (the Sun Oil Company, through its subsidiary Sunray Mozambique Oil Company, the Skelly Oil Company and the Clark Oil and Refining Corporation) requested the cancellation of their contract in January 1972; Aquitaine-Anmercosa-Gelsenberg (Aquitaine Moçambique-Companhia de Petr6leos, SARL, Anmercosa-Companhia de Petr6leos de Moçambique, SARL and Gelsenberg, AG),

j/ Ibid., Twenty-third Session, Annexes, agenda item 68, document A/7320/Add.1, annex, appendix III, paras. 118-158.

which represented interests from France, South Africa and the Federal Republic of Germany, and the United States concern, Mozambique Amoco Oil Company, requested cancellation of their concessions in 1973. Texaco, Inc., also of the United States, is reported to be still negotiating with the Portuguese Government regarding its concession. According to a Portuguese source, the Hunt International Petroleum Company planned to reduce its area of exploitation by 25 per cent after January 1974.

44. Although no new concessions are known to have been granted in 1973, nine applications were reported to have been received by the Portuguese Overseas Ministry from foreign oil companies since July 1973. These include the Southern Oil Exploration Corporation (Pty), Ltd. (SOEKOR) of South Africa, which is jointly owned by the South Africa Coal, Oil and Gas Corporation, Ltd. (SASOL) and by the Industrial Development Corporation of South Africa (IDC); and a Norwegian company identified as "Fred Olsen", which is presumed to be Norsk Braendselolje, AS (Norwegian Oil Supply Company, Ltd.), with offices in Oslo. Other companies mentioned include Imperial Oil and Kilroy, of the United States. It will be recalled that Imperial Oil and Gas, Ltd., had requested a petroleum concession in 1969 to prospect in an area along the coast lying between parallels 14°S and 18°S, located between the Hunt and Texaco concessions. k/

45. The 1972 report of the Geology and Mines Department of Mozambique also lists a request by Polar Bear International to prospect for minerals and hydrocarbons on the continental platform from the mouth of the Rovuma River to the mouth of the Save River, and off-shore from the mouth of the Rovuma to the southern frontier.

C. Coal

46. Production of coal in Mozambique was until recently the monopoly of the Companhia Carbonífera de Moçambique. l/ The total production of coal from the company's mine in Moatize, Tete District, amounted to 336,296 tons in 1972. A total of 310,600 tons were sold inside the Territory and 55,480 tons were exported to Kenya, Japan and Malawi (see table 6 below). The Territory's main consumers of coal are the railway lines, the Companhia de Cimentos de Moçambique, SARL, and the thermal power stations.

47. According to the 1972 report of the Geology and Mines Department of Mozambique, Carbonífera had a mining concession of 3,076 hectares. The company's annual report for the same year reported profits of 4.2 million escudos, and capital and reserves of 49.5 million escudos. The report also noted that the company had concluded studies in connexion with the possibility of increasing the area of its concession, which has estimated coal reserves of 400 million tons.

k/ Ibid., Twenty-fifth Session, Supplement No. 23 A (A/8023/Rev.1/Add.1), annex, appendix III, para. 124.

l/ Ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix II, para. 37.

48. Other sources report that Mozambique's coal reserves are still practically unexploited. Large deposits of high-grade coal are known to exist in the Moatize-Minjova area, situated within the concession area of Carbonífera; in the Sanangoi-Mefidece area located in the concession area of the Companhia Moçambicana de Minas, SARL (COMOCMIN) (see para. 52 below); and in the Chicoo-Mecucué area. According to the Portuguese sources, coal reserves in Mozambique are some of the largest in Africa, with deposits amounting to hundreds of millions of tons distributed throughout the districts of Tete, Niassa and Vila Pery.

49. According to studies carried out by Carbonífera, the Moatize-Minjova deposits will permit the annual export of 1 million tons of coal to the South African Iron and Steel Corporation (ISCOR), and 400,000 tons annually to Japan, with the possibility of eventually increasing total annual exports to 4 million tons. Some 100,000 to 150,000 tons will also eventually be supplied to the steel mill to be constructed at Matundo (see paras. 56-57 below), and 70,000 to 130,000 tons to an aluminium plant still under consideration. The expansion of the present coal supply to Mozambique's internal and external markets, which at present take a total of 400,000 tons, is also being considered.

50. The Sanangoi-Mefidece deposits are expected to have a production capacity of 50,000 tons for local consumption, and 100,000 tons for export.

51. The Chicoo-Mecucué deposits, which extend for 150 kilometres along the Zambezi River, may be capable of reaching a future production of 4 million tons annually.

3. TRENDS IN THE EXPLOITATION OF NON-RENEWABLE RESOURCES

52. The mineral output of the Territory continues to be limited. In 1972, mineral exports amounted to only 45.4 million escudos, representing 0.5 per cent of the total value of exports for the year. Although there has been a considerable influx of new capital in the mining sector, some companies have been forced to suspend their operations in the Territory, owing to the activities of FRELIMO. For example, COMOCMIN reported that all its activities were suspended in 1972 because of "the special condition" existing in its areas of concession, and that the company was operating only on a "maintenance basis". COMOCMIN's areas of concession are located in Tete District, in a region where FRELIMO has been active in the past three years. The company, which is jointly owned by the Anglo American Corporation of South Africa and the Johannesburg Consolidated Investment Company, Ltd. (JCI), was set up in 1969 to prospect for all minerals, except petroleum, diamonds, iron ore and natural gas and its by-products.

53. The Companhia do Pipeline Moçambique-Rodésia, SARL, has also been inactive since 1965, as a result of the Security Council sanctions on Southern Rhodesia.

54. The activities of the major mining companies operating in the Territory during 1973 are described below.

A. Iron ore

55. As has been reported previously, m/ surveys have already revealed that Mozambique has large reserves of high-grade iron ore. The most important deposits are located in the districts of Tete, Vila Pery and Moçambique. The size of the Tete reserves has been estimated at more than 100 million tons and the Honde reserves in Vila Pery at 120 million tons.

56. The establishment of a steel mill in Mozambique has been under consideration for quite some time. On 8 September 1973, during an interview granted to the Portuguese newspaper Diario de Noticias, Mr. Manuel Pimentel dos Santos, Governor-General of Mozambique, said that authority had been granted for the establishment of a steel mill in Tete. The plant, which will have an annual production capacity of 250,000 tons, is expected to cost 2 billion escudos. According to press reports, the plant will be located at Matundo, approximately five kilometres from the town of Tete, which was found to offer the best conditions as well as being near the site of the future river port to be built on the Zambezi River. It is expected that the plant will begin operating in 1975.

m/ Ibid., Twenty-sixth Session, Supplement No. 23 A (A/8423/Rev.1/Add.1), annex, appendix II.B, paras. 14-20.

57. Official information is not yet available on the identity of the financial and industrial interests which will be involved in the project. It will be recalled that the Companhia do Urânio de Moçambique was reported in 1971 to have been granted authorization to establish a steel mill in the Territory. ^{n/} However, in March 1974, according to an international source, the Champalimaud group, one of the largest financial groups in Portugal, was reported to be investing 1.5 billion escudos for the setting up of a steel mill with an expected annual production capacity of 250,000 tons of iron, blister and rolled steel. More than half the production will be destined for export, and when completed, the complex is expected to earn 900 million escudos in foreign exchange annually. According to the report, the plant was expected to utilize iron ore from Swaziland until it began to receive supplies from the Namapa and Tete deposits.

B. Diamonds

58. The only company involved in diamond prospecting in Mozambique is the Companhia de Diamantes de Moçambique, SARL (DIAMOC), a subsidiary of the Anglo American Corporation of South Africa. DIAMOC was granted an exclusive concession in 1971 for prospecting in Tete District. Under the terms of the contract, ^{o/} the company is required to actively prospect its concession and to spend at least 3 million escudos in the first year; 3 million escudos in the second year; and 5 million escudos in the third year. However, the DIAMOC concession is located in the area of Tete District where the liberation forces have been active for the past three years, and, according to the company's annual report for 1972, no prospecting was carried out during that year because of "conditions existing in the area of the concession", which caused the company to invoke the "force majeure" clause. Force majeure is defined generally as any overwhelming occurrence of nature which could not reasonably have been foreseen or guarded against, but excluding lightning, and particularly any of the following occurrences initiated by human agency: war, invasion, act of foreign enemies, civil war, rebellion, revolution and insurrection.

59. According to the report, although it was recognized that a situation of force majeure existed, this did not affect the contribution owed by the company to the Overseas Mining Fund, which continued to be paid. However, negotiations were to be initiated with the Overseas Ministry to reduce the contribution "while the present conditions exist".

C. Uranium

60. In addition to its prospecting activities, the Companhia do Urânio de Moçambique reported that it had begun negotiations in 1972 with Amcor Managements Services (Pty.), Ltd., of South Africa, for a study of the profitability of deposits of

^{n/} Ibid., para. 23.

^{o/} Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix II, paras. 14-23.

titano-magnetite from its concessions. These studies are being undertaken by the National Institute of Metallurgy of South Africa, with the support of the Nuclear Energy Board of Portugal. The company is reported to have discovered the existence of 25 uranium deposits in Moatize, Tete District. Other uranium deposits are reported to exist in Zambézia District, Ribauè and Nampula, Moçambique District, and in the Chimanimani mountains, Vila Pery District.

61. The Sociedade Mineira do Marropino has reportedly signed a contract with the Nuclear Energy Board for an exclusive concession for prospecting for uranium in Zambézia District.

62. The Sociedade Mineira do Marropino was formed in 1957. p/ Its areas of concession in 1972 included 390 hectares in Ile, 296 hectares in Gilé, and 93 hectares in Pebane, all in Zambézia District.

Table 2

Mozambique: imports of petroleum products, 1970-1972

(thousand metric tons and million escudos)

<u>Product</u>	<u>Volume</u>			<u>Value</u>		
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Crude petroleum	748.5	836.2	776.1	377.6	518.8	499.0
Fuel oil	101.5	169.7	126.2	76.9	151.3	104.4
Lubricating oil	15.9	16.8	8.9	79.5	90.4	46.5
Kerosene	24.1	27.4	29.0	23.6	30.9	31.5
Gasolene	34.8	21.5	14.3	37.3	28.2	18.3
Tar and coke	-	-	5.0	-	-	7.5
Total	924.8	1,071.6	959.5	594.9	819.6	707.2

Source: Mozambique, Boletim Mensal de Estatística, December 1970, December 1971 and April 1973.

p/ Ibid., Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V, appendix, annex I, para. 273.

Table 3

Mozambique: exports of refined petroleum products, 1970-1972

(thousand metric tons and million escudos)

Product	Volume			Value		
	1970	1971	1972	1970	1971	1972
Fuel oil	309.6	294.5	273.2	113.6	132.6	117.2
Gas oil	70.6	79.2	57.1	69.9	79.0	54.3
Gasolene	82.4	52.8	43.7	87.6	57.1	50.8
Tar and coke	20.8	20.5	17.8	22.5	17.9	19.1
Diesel oil	22.0	33.1	20.8	15.7	26.5	16.5
Butane gas	2.6	3.9	4.7	4.5	7.0	9.0
Jet oil	18.9	17.9	7.7	21.7	20.3	8.4
Others	1.2	-	-	1.1	-	-
Total	528.1	501.9	425.0	336.6	340.4	275.3

Source: Mozambique, Boletim Mensal de Estatística, December 1970, December 1971 and April 1973.

Table 4

Mozambique: principal suppliers of petroleum products, 1970-1972

(thousand metric tons and million escudos)

	Volume			Value		
	1970	1971	1972	1970	1971	1972
Total imports	924.8	1 071.6	959.5	594.9.	819.6	702.2
Iraq	720.8	787.8	776.1	363.5	486.8	499.0
Iran	123.0	153.8	72.7	98.4	148.7	75.4
Saudi Arabia	50.1	103.6	79.2	41.0	84.2	64.2
South Africa	13.6	16.9	27.1	49.9	61.4	54.5
United States of America	2.8	2.1	1.5	11.2	9.9	7.1
Portugal	3.6	3.8	1.2	18.9	23.5	4.7
Kuwait	9.2	2.8	-	6.9	2.1	-

Source: Mozambique, Boletim Mensal de Estatística, December 1970, December 1971 and April 1973.

Table 5

Mozambique: principal clients of refined petroleum products, 1970-1972

(thousand metric tons and million escudos)

	<u>Volume</u>			<u>Value</u>		
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>
Total exports	528.1	501.9	425.0	336.6	340.4	275.3
Maritime navigation	190.9	244.3	166.0	86.4	136.4	96.2
South Africa	162.7	117.3	81.5	177.4	123.8	92.5
Portugal	117.3	97.9	143.7	35.6	36.4	50.8
Malawi	12.1	14.8	16.1	9.3	12.0	14.3
Swaziland	7.3	7.9	8.2	7.0	8.5	11.7
Air navigation	2.6	12.6	7.7	2.9	14.0	8.4

Source: Mozambique, Boletim Mensal de Estatística, December 1970, December 1971 and April 1973.

Table 6

Mozambique: production and export of principal minerals, 1971-1972

Mineral	Production (tons)		Exports (tons)		Value of exports (million escudos)		Principal countries of destination a/	
	1971	1972	1971	1972	1971	1972	1971	1972
Asbestos	1 430.5	544.3	287.1	187.0	0.8	0.5	Federal Republic of Germany, France, Italy, United States of America, Japan	Japan, Italy
Bauxite	7 713.0	5 419.0	7, 776.0	5 516.0	0.5	0.9	Southern Rhodesia	Southern Rhodesia
Beryl	12.7	22.2	42.9	-	0.4	-	United States	United Kingdom of Great Britain and Northern Ireland
Bismutite	1.5	3.0	-	3.9	-	0.3	-	Kenya, Malawi, Japan
Coal	328 673.1	336 296.2	80 248.0	55 480.5	22.3	14.6	Japan, Kenya, Malawi, Angola	United States
Columbium-tantalite	58.6	53.6	69.3	1.0	18.4	0.09	United Kingdom, Federal Republic of Germany	United States
Copper	1 654.4	2 509.5	1 676.3	3 772.0	7.9	17.1	Japan	Southern Rhodesia
Fluorite	8 218.4	94.2	3 143.5	150.0	3.0	0.2	Federal Republic of Germany, Japan, Portugal	Japan
Mica	950.0	230.0	505.0	300.0	0.6	0.3	United Kingdom	United Kingdom
Microilite	15.0	-	69.8	-	18.8	-	Federal Republic of Germany, United Kingdom	-
Montmorillonite (bentonite)	5 453.9	2 579.6	4 821.6	2 153.0	4.0	1.7	South Africa, United Kingdom, Australia, Portugal, Angola, Sweden, Japan	United Kingdom, South Africa, Southern Rhodesia, Venezuela, Singapore, Australia, Sweden, Japan, Angola, Netherlands, Thailand
Tourmalin	...	3.5	2.2	1.8	1.3	5.5	South Africa, Southern Rhodesia, Switzerland, Federal Republic of Germany, Australia	Japan, Federal Republic of Germany, Switzerland, Southern Rhodesia, United States, South Africa, Australia
Others	16 673.9	13 546.2	3 322.6	1 336.6	11.6	3.8	-	-
Total					89.6	45.0		

Source: Mozambique, Boletim Oficial, Series III, No. 112, 26 September 1971 and No. 115, 2 October 1973.

a/ In descending order of importance.

Table 7

Mozambique: foreign economic interests by nationality and activity

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
1. <u>Belgium</u> Société minière et géologique du Zambeze	Coal mining	Shareholder in Companhia Carbonífera de Moçambique, which in 1972 had capital and reserves estimated at 49.5 million escudos
Société de recherche minière du Sud-Katanga	"	"
2. <u>Brazil</u> Banco do Brasil	Credit financing	Provided financial backing for a 60-million escudo contract of Estaleiros Frejalos, SA, for supply of 12 trawlers; also for \$US 1 million credit, through Mozambique Credit Institute, for financing of importers of Brazilian-made goods
Cerâmica Jatobá of São Paulo	Mosaic-porcelain factory	Established mosaic and ceramic factories in Lourenço Marques, with an initial capital of 40 million escudos, through Cerâmica Brasil-Moçambique. Expansion at a cost of \$US 30 million planned
Estaleiros Frejalo, SA	Shipping	Awarded a 60-million escudo contract for supply of 12 trawlers financed by Banco do Brasil
3. <u>Canada</u> Alcan Aluminium, Ltd.	Aluminium	Reported to have been awarded subcontract in 1971 for supply of equipment to Cabora Bassa project
International Nickel Southern Exploration, Ltd.	Mining	Exploitation, prospection, refining, transforming and sale of minerals through International Nickel de Moçambique, Ida.
Reynolds Aluminium Company	Aluminium	Reported to have been awarded subcontract in 1971 for supply of equipment to Cabora Bassa project

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
4. <u>France</u>		
Ateliers et Chantiers du Havre, SARL	Supply of vessels	Awarded a contract with Sociedade dos Armadores de Pesca em Moçambique, SARL (ARPEM), for the supply of fishing vessels
Banque de Suez et de l'Union des Mines	Credit financing	Granted financial assistance to Textil de Lourenço Marques (TEXLOM) in 1970 to establish a textile complex at Matola, Lourenço Marques. In 1972, TEXLOM had a registered capital of 80 million escudos
Banque française du commerce extérieur	"	"
Bureau de recherches géologiques et minières (BRGM)	Geological mapping and survey	Granted an 80-million escudo contract in 1970 for geological mapping of Mozambique
Compagnie financière Eternit, SA	Cement	Partly owns Luselite de Moçambique, a fibro-cement industry. In 1972, Luselite had 82.4 million escudos in capital and reserves and 5.7 million escudos in profits
Compagnie française des pétroles	Petroleum	Its subsidiary, Sociedade Nacional de Petróleos, SARL (SONAP) of Portugal, owns the only petroleum refining company in Mozambique operated by Sociedade Nacional de Refinação de Petróleos, SARL (SONAREP). In 1972 SONAREP had a registered capital of 300 million escudos
Compagnie générale d'électricité	Electric power	Member of Zamco - Zambeze Consórcio Hidroeléctrico, lda. (Zamco consortium) which was awarded Cabora Bassa dam construction contract
Compagnie pour l'étude et développement des échanges commerciaux (COMPADEC)	Sugar	Partly owns Açucareira de Moçambique, a sugar refining concern. In 1972, Açucareira had its capital and reserves increased from 170 million escudos to 220 million escudos and profits estimated at 10.9 million escudos
Compagnie des constructions internationales	Electric power	Member of Zamco consortium
Compagnie industrielle de travaux	"	"
Enterprises Campenon-Bernard	"	"
Enterprises Fougerolle-Limousin	"	"

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
4. <u>France (continued)</u> Fabrecin-Fabriques Réunis Fibro-Cement, SA Géoservices	Cement Exploration consulting	Partly owns Lusalite de Moçambique, a fibro-cement industry Drilling contractors for Sunray, Skelly and Clark, petroleum prospecting concessionaires in Mozambique
Neyrpic, SA	Electric power	Through its subsidiary, Sociédades Reunidas de Fabricações Metalicas (SOREFAME), supplied flood gates and copperdams for Cabora Bassa dam project
Schaeffer Engineering	Cotton textiles	Associated with TEXLUM (see above)
Société des Forages Pétroliers Languedocienne Forenco	Exploration consulting	Drilling contractors for Sunray, Skelly and Clark, petroleum concessionaires in Mozambique (see below)
Société générale de constructions électriques et mécaniques (ALSHOM)	Electric power	Member of Zamco consortium
Sociétés générales d'entreprises	Cotton textiles	Associated with TEXLUM (see above)
Société nationale des pétroles d'Aquitaine	Petroleum prospecting	Associated with Anglo American Corporation of South Africa, Ltd. and Gelsenberg, AG in petroleum prospecting since 1968. Reported to have requested cancellation of concession in 1973
5. <u>Germany, Federal Republic of</u> Allgemeine Elektrizitäts Gesellschaft AEG-Telefunken Brown, Boveri and Company Gesellschaft Für Elektro- metallurgie, GmbH	Electric power " Food processing	Member of Zamco " Part of multinational group which owns Companhia Industrial da Matola, a food processing company which in 1972 had capital and reserves of 205.0 million escudos
Gelsenberg, AG	Petroleum prospecting	Associated with Société nationale des pétroles d'Aquitaine and Anglo American Corporation of South Africa, Ltd., in petroleum prospecting in Mozambique

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
5. <u>Germany, Federal Republic of (continued)</u>		
Hochtief, AG	Petroleum prospecting	Member of Zamco consortium
J. M. Voith, GmbH	"	"
Siemens, AG	"	"
6. <u>Italy</u>		
Industria Prodotti Alimentare da Bologna	Cashews	Shareholder in Indústria do Caju Mocita, with 4 million escudos
International General Engineering of Rome (Technital)	Engineering	Shareholder in Technosul-International General Engineering, Ltda.
Oltremare Industria Prodotti Alimentari e Derivati, SpA	Cashews	Shareholder in Sociedade Industrial de Caju e Derivados (CAJUCA)
7. <u>Norway</u>		
Sociedade Agrícola do Madal, SARL	Copra/tea	In 1972, Sociedade Agrícola do Madal had 100 million escudos in capital and reserves and 5.5 million escudos profit
Norsk Braendselolje, AS (Norwegian Oil Supply Company, Ltd.)	Petroleum prospecting	Reported to have requested exclusive concession for petroleum prospecting
8. <u>South Africa</u>		
Acrow Engineers (Pty.)	Metal industry	Owns 41 per cent of Boror Comercial, established in 1971 for production and trading of metal parts. In 1972, Boror Comercial had 19 million escudos in capital and reserves, and profits valued at 5.9 million escudos
African Explosives and Chemical Industries (AECI)	Production of chemicals and explosives	Established a chemical and explosives plant in Mozambique in 1971
Amalgamated Hotels	Tourism	Associated with Holiday Inns of the United States to construct motels in Mozambique, Lesotho, South Africa and Southern Rhodesia

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
8. <u>South Africa</u> (continued)		
Anglo American Corporation of South Africa, Ltd., subsidiary of Charter Consolidated, Ltd., of United Kingdom	Petroleum, electric power, fisheries, sugar	Associated with Société nationale des pétroles d'Aquitaine and Gelsenberg (see above). Member of Zamco consortium. Holds controlling interests in Industria de Caju Mocitas, with 11 million escudos. In 1964, Caju Mocitas had a capital of 20 million escudos with estimated investments amounting to 170 million escudos. Parent company of Mozambique Development Corporation, which owns Industria de Peixes Nossa Senhora de Fátima (INOS). In 1964, INOS had a capital of 3.4 million escudos with estimated investments amounting to R 2 million. Parent company of Portuguese Development Company. Shareholder in Johannesburg Consolidated Investment Company, Ltd. (JCI), which owns Companhia Moçambicana de Minas, SARL (COMOCMIN), a mineral prospecting company. Major shareholder in Companhia de Diamantes de Moçambique, SARL (DIAMOC), a diamond prospecting company. Shareholder in Wankie Colliery Company, Ltd (see below)
Babcock and Wilcox of South Africa	Metal tubing	Shareholder in Babcock and Wilcox Moçambicana, SARL, a company formed in 1970
Corbett Enterprises	Fisheries	Reported to have major interest in Companhia de Pesca do Camarão, a fishery concern
Finans Bank of Johannesburg	Credit financing	Reported to be involved in gold prospecting in Manica
Fömundian Investments, Ltd.	Copper mining	...
General Chemical Corporation (Coastal), Ltd.	...	Contract with Fábricas de Tintas do Ultramar, SARL (FINTEX). In 1972, FINTEX had 26.5 million escudos in capital and reserves, and 5.8 million escudos profits

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
8. <u>South Africa</u> (continued)		
Industrial Development Corporation of South Africa (IDC)	Diversified interests	Granted a 220-million escudo loan, in participation with Banco do Fomento Nacional, to Marracuene Agrícola Açucareira, SARL (MARAGRA), a Portuguese-owned company with a registered capital of 130 million escudos and estimated investments of 430 million escudos. Shareholder in Southern Oil Exploration Corporation (Pty.), Ltd. (SOEKOR), which has reportedly requested exclusive concession for petroleum prospecting. Reported to have approved an export credit of R 20 million to Portugal for certain aspects of the Cabora Bassa contract. Also granted 400-million escudo loan to Companhia de Cimentos de Moçambique, SARL in 1973
Iron and Steel Corporation of South Africa (ISCOR)	Supply of railway equipment	Supply of railway equipment to Serviços dos Portos, Caminhos de Ferro e Transportes de Moçambique (CFM) valued at 63.7 million escudos
Johannesburg Consolidated Investment Company, Ltd. (JCI)	Mining	Holds 60 per cent interest in COMOCMIN, which was granted an exclusive mineral concession in 1969
Lion Match Corporation of South Africa	Match industry	Established Fosforeira de Moçambique, a match company, in 1971, with an initial capital of 12 million escudos
LTA, Ltd.	Electric power	Member of Zamco consortium
Manica Holdings (Pty.)	Transport	Shareholder of a transport company established in 1971, with an initial capital of 12 million escudos
Manica Trading Company	Shipping	Through its subsidiary, Safmarine of South Africa, acquired formerly British-owned Beira Boat Delagoa Bay Agency, a maritime agency, for R 202,000
Metal Box Company of South Africa	Light metal industry	Established Embalagens de Moçambique Metal Box, which in 1971 had 29.5 million escudos in capital and reserves and 9.4 million escudos profit
Metallurgy South Africa (Pty.)	Food processing	Participates in Companhia Industrial da Matola (see above)

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
8. <u>South Africa (continued)</u>		
Mindep (Pty.) of South Africa	Mining	Involved in gold prospecting in Manica
Mineral Deposits of South Africa	"	"
Minerais Básicos de Moçambique	Mining	Represents Portuguese, United Kingdom and South African interests
Power Lines Company (PLC)	Electric power	Awarded a joint contract with Transmission Lines Company (TLC) for construction of high tension lines for Cabora Bassa project, at \$US 340 million
Rand Selection Corporation	Diversified interests	Holds shares in JCI, which owns COMOCMIN
Rennies Consolidated Holdings, Ltd.	Transport, traffic, insurance	Transferred from Johannesburg to Lourenço Marques in 1971. Registered capital: 21 million escudos
Sandock-Austral of South Africa	Fisheries	Awarded a contract to supply trawlers to Companhia Industrial de Pesca do Camarão in 1970 valued at 80 million escudos
South African Coal, Oil and Gas Corporation, Ltd. (SASOL)	Petroleum prospecting	Shareholder in SOEKOR, which is reported to have requested a petroleum concession in 1973
South African Finance Corporation	Mining	Involved in gold prospecting in Manica
Southern Suns Hotels International	Hotel industry	Partly owns Sociedade de Promoção Hoteleira, Lda. (PROMOTEL), a hotel chain
Standard Bank of South Africa	Banking	Has a subsidiary, Banco Standard Totta de Moçambique, operating in the Territory
Tiger Oats and National Milling Company	Cashews	Shareholder in Indústria de Cajú Mocita
Transmission Lines Company (TLC)	Electric power	Awarded a joint contract with PLC (see above)
Transtex Fabrica (Pty.)	Knitted goods	Majority shareholder in Transtex Rosana, Lda., a knitted goods concern established in 1971 with a registered capital of 3.4 million escudos
UPC	Electric power	Member of Zamco consortium

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
9. <u>Southern Rhodesia</u> Sociedade Mineira de Manica	Mining	Formed in 1971 by two Southern Rhodesian nationals for prospecting, exploiting, transforming and selling minerals
Transportadores de Moçambique, Lda.	Transport	Transport company formed in 1969 by three Southern Rhodesian nationals
Wankie Colliery Company, Ltd.	Mining	Bauxite mining concern. In 1969 it had a capital of £6 million
10. <u>Spain</u> Sociedades Espanolas de Construciones Babcock and Wilcox	Metal tubing	Shareholder in Babcock and Wilcox Moçambicana, SARL, a company established in 1970
11. <u>Sweden</u> A. B. Ferrodegeringan	Food processing	Participates in Companhia Industrial da Matola, a food processing company
12. <u>Switzerland</u> Alpina Investitious, AG	Credit financing	Awarded contracts with Mozambique Credit Institute in 1972 valued at 175 million escudos. Represents the Southern Trust Investment Corporation
Companhia de Culturas de Angoche, SARL	Cashews/sisal	Estimated investments in 1966: 266. million escudos
Poultex, Ltd.	Poultry industry	Associated in Arbor Acres (Moçambique), a poultry development company established in 1970
Techholding, SA	Diversified interests	Majority shareholder in Technosul, a company formed in 1973 for studies and projects of all types of work
13. <u>United Kingdom of Great Britain and Northern Ireland</u> Babcock and Wilcox	Engineering, metal tubing	Through its subsidiaries in South Africa and Spain (see above), participates in Babcock and Wilcox Moçambicana, SARL
Barclays Bank International, Ltd.	Banking	Reportedly involved in Cabora Bassa project

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
13. <u>United Kingdom of Great Britain and Northern Ireland (continued)</u>		
British Commonwealth Shipping Company, Ltd.	Shipping	Through its subsidiary in South Africa, Manica Trading Company, acquired Beira Boat Delagoa Bay Agency
Companhia da Zambézia	Copra	Portuguese Government is the largest single stockholder. Thought to represent interests from the United Kingdom, South Africa, France and the Federal Republic of Germany
Companhia do Pipeline Moçambique-Rodésia, SARL	Pipeline	Controlled by Lonrho, Ltd., which owns 62.5 per cent of shares. Portuguese participation
Dowell Schlumberger	Engineering	Awarded subcontracts with Sunray, Skelly and Clark, petroleum concessionaires, in 1970, for well completion services
Imperial Chemical Industries, Ltd. (ICI)	Supply of explosives	Owens 42 per cent interest in AECI of South Africa, which is one of main suppliers of explosives for Cabora Bassa project
London and Scandinavian Metallurgical Company	Food processing	Participates in Companhia Industrial da Matola
Lonrho, Ltd.	Diversified interests	Owens 62.5 per cent of shares in Companhia do Pipeline Moçambique-Rodésia, SARL. In 1972 requested exclusive concession for mineral prospecting in Vila Pery
Minerais Básicos de Moçambique	Mining	Represents Portuguese/United Kingdom/South African interests
Schlumberger, Ltd.	Engineering	Awarded subcontracts in 1970 with Sunray, Skelly and Clark, petroleum concessionaires, for well completion services
Seismographic Services	Surveying	<u>Idem</u> , for well velocity surveying services
Sena Sugar Estates, Ltd.	Sugar	Produces an average of 63 per cent of the sugar output of Mozambique. In 1971, the company's investments amounted to £780,611, and the total value of its fixed assets was estimated at £14.5 million
Spence and Pierce, Lda.	Sugar	Largely owned by the United Kingdom firm Pierce, Leslie and Company, Ltd. Estimated investments in 1969: 48 million escudos

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
13. <u>United Kingdom and Northern Ireland (continued)</u>		
Standard Bank, Ltd.	Banking	Owms 30 per cent of Banco Standard Totta de Moçambique, SARL, which in 1972 had 133.9 million escudos in capital and reserves
United Transport Overseas	Transport	Reported in 1970 to have a £600,000-contract for transport of cement to Cabora Bassa, as well as electrical and mechanical equipment and supplies for Songo
14. <u>United States of America</u>		
Amoco International Oil Company	Petroleum prospecting	Acquired the rights of Mozambique Gulf Oil Company for petroleum prospecting in Mozambique in 1971. Reported to have requested cancellation of concession in 1973
Bell Helicopter of Fort Worth, Texas	Supply of helicopters	Supplied helicopters to Zambezi Development Planning Office in 1971 valued at \$US 616,400
Bethlehem Steel Corporation	Mining	Granted exclusive mineral concession in 1972, in consortium with Companhia Mineira do Lobito of Angola and Companhia do Urânio de Moçambique, forming Sociedade Mineira de Tete
Caltex Petroleum Corporation	Petroleum distribution	Distributes petroleum products through its subsidiary, Caltex Oil
Caterpillar Tractor Company	Construction equipment	Supplied construction equipment to Cabora Bassa project through its subsidiary, Sociedade Técnica de Equipamentos Industriais (STEIA)
Clark Oil and Refining Corporation	Petroleum prospecting	Associated with Sunray and Skelly as petroleum concessionaires since 1967. Consortium requested cancellation of concession in January 1972
Export-Import Bank	Credit financing	Granted a 3.8-million escudo loan to Banco Comercial e Industrial de Lourenço Marques in 1972; also a \$US 2.7-million loan to Direcção de Exploração de Transportes Aéreos (DETA) for purchase of a Boeing 737

Table 7 (continued)

<u>Country and name</u>	<u>Activity in the Territory</u>	<u>Form of investment</u>
14. <u>United States of America</u> (continued)		
General Electric Company	Electric power	Through its wholly-owned subsidiary, South African General Electric Company (Pty.), Ltd. (SAGE), supplied control relay panels for Transvaal terminal of the power grid for the Cabora Bassa project. Estimated cost \$US 140,000. Owns shares in Allgemeine Elektrizitäts Gesellschaft AEG - Telefunken, of the Federal Republic of Germany, a member of the Zamco consortium
General Tire	Tire manufacture	Through its subsidiary, Mabor General, constructed a tire factory in Lourenço Marques in 1972, at an estimated cost of 250 million escudos
Holiday Inns, Inc.	Tourism	Associated with Amalgamated Hotels of South Africa to construct motels in Mozambique, Southern Rhodesia, South Africa and Lesotho
Hunt International Petroleum Company	Petroleum prospecting	Granted exclusive petroleum concession in 1967
International Basic Economy Corporation	Diversified interests	Through its subsidiary Arbor Acres Farm, Inc. of Delaware, is associated in Arbor Acres (Mozambique), a poultry development company formed in 1970
International Minerals and Chemical Corporation	Mining	Its subsidiary, Continental Ore Corporation, through Interminas Fluorites de Moçambique, SARL, is a major fluorite mining concern operating in Vila Pery
Metallurg, Inc.	Food processing	Participates in Companhia Industrial da Matola
Manufacturers Hanover Trust Company	Credit financing	Granted \$US 2.7 million credit to DETA for purchase of a Boeing 737
Otis Elevator Company	Elevators	Purchased Fortis Elevadores, SARL, for 17 million escudos in 1970
Pfizer, Inc.	Pharmaceutical products	Operates through its subsidiary, the Pfizer Corporation, which is expanding its activities in Mozambique and expects to be able to cover 75 per cent of the pharmaceutical needs of the Territory. Investments in 1971 were estimated at 14 million escudos

Table 7 (continued)

Form of investment

Activity in the Territory

Country and name

14. United States of America
(continued)

Reynolds Metal Company	Aluminium	Owns 64 per cent of the stock of Reynolds Aluminum Company, which in 1971 was awarded a subcontract in connexion with the Cabora Bassa Dam project
Shieldalloy Company	Food processing	Participates in Companhia Industrial da Matola
Skelly Oil Company	Petroleum prospecting	Associated with Clark and Sunray (see above)
Standard Electric, SARL	Transport	Awarded contracts with Portuguese companies in 1968 to supply underground cables and expand the telephone exchanges of Lourenço Marques and Beira: 156 million escudos
Sun Oil Company	Petroleum prospecting	Associated, through its subsidiary, the Sunray Mozambique Oil Company, with Clark and Skelly (see above)
Texaco, Inc.	"	Reported to be negotiating with Portuguese Government for petroleum concession in Mozambique
United Geophysical Corporation	Geophysical surveys	Carried out seismographic survey for Sunray, Skelly and Clark in 1970

Table 8

Mozambique: capital investment and activities of major foreign companies

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Mozambique</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
<u>1. France</u>				
Compagnie française des pétroles	F 1.5 million	Sociedade Nacional de Refinação de Petróleos, SARL (SONAREP)	300.0	Petroleum refining
Compagnie générale d'électricité	F 448.4 million	Zamco consortium	263.6	Electric power
Entreprises Campenon-Bernard	F 30.4 million	" "	263.6	" "
Société générale de constructions électriques et mécaniques (ALSHTOM)	F 704.0 million	Sociedades Reunidas de Fabricações Metálicas (SOREFAME)	...	" "
Société nationale des pétroles d'Aquitaine	F 343.1 million	Aquitaine Moçambique - Companhia de Petróleos, SARL a/	275.0	Petroleum prospecting
<u>2. Germany, Federal Republic of</u>				
Allgemeine Elektrizitäts Gesellschaft AEG - Telefunken	DM 704.0 million	Zamco consortium	263.6	Electric power
Brown, Boveri and Company	DM 120.0 million	" "	263.6	" "
Gelsenberg, AG	DM 435.0 million	Aquitaine Moçambique - Companhia de Petróleos, SARL a/	275.0	Petroleum prospecting
Hochtief, AG	DM 27.9 million	Zamco consortium	263.6	Electric power
Siemens, AG	DM 1.1 billion	" "	"	" "

a/ Aquitaine-Anmercosa-Gelsenberg consortium. Aquitaine was the majority shareholder. See also paragraph 43 above.

Table 8 (continued)

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Mozambique</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
<u>3. South Africa</u>				
Anglo American Corporation of South Africa, Ltd.	R 17.7 million	Zamco consortium	263.6	Electric power
		Aquitaine Mozambique - Companhia de Petr6leos, SARL b/	275.0	Petroleum prospecting
		Industria de Caju Mocita	42.0	Cashews
		Industria de Peixes Nossa Senhora de Fátima (INOS)	-	Fisheries
		Companhia Moçambicana de Minas, SARL (COMOCMIN)	12.0	Mining
		Companhia de Diamantes de Moçambique (DIAMOC)	12.0	Mining
Johannesburg Consolidated Investment Company, Ltd. (JCI)	R 14.0 million	Companhia Moçambicana de Minas (COMOCMIN)	12.0	Mining
Lion Match Corporation of South Africa	R 8.6 million	Fosforeira de Moçambique	12.0	Match industry
Metal Box Company of South Africa	R 13.6 million	Embalagens de Moçambique Metal Box	29.5	Metal tubing
Rennies Consolidated Holdings, Ltd.	R 3.9 million	Rennies Consolidated (LM) Ltd.	21.0	Transport, traffic, insurance
Tiger Oats and National Milling Company	R 10.9 million	Industria de Caju Mocita	42.0	Cashews

b/ Aquitaine-Ammercosa-Gelsenberg consortium. Aquitaine was the majority shareholder. See also paragraph 43 above.

Table 8 (continued)

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Mozambique</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
4. <u>United Kingdom of Great Britain and Northern Ireland</u>				
Babcock and Wilcox	£10.3 million	Babcock and Wilcox Moçambicana, S.A.R.L.	12.0	Metal tubing
Lonrho, Ltd.	£12.5 million	Companhia do Pipeline Moçambique-Rodésia, S.A.R.L.	20.0	Pipeline
Sena Sugar Estates, Ltd.	£5.1 million	Sena Sugar Estates, Ltd. Companhia do Comércio de Moçambique	...	Sugar
Standard Bank, Ltd.	£112.0 million	Banco Standard Totta de Moçambique, S.A.R.L.	133.9	Banking
5. <u>United States of America</u>				
Amoco International Oil Company	\$US 10.0 million	Mozambique Amoco Oil Company	...	Petroleum prospecting
Bethlehem Steel Corporation	\$US 2.2 billion	Sociedade Mineira de Tete	10.0	Mining
Caterpillar Tractor Company	\$US 1.2 billion	Sociedade Técnica de Equipamentos Industriais (STELA)	...	Construction equipment
Clark Oil and Refining Corporation	\$US 82.6 million	Sunray/Skelly/Clark	2.7	Petroleum refining
General Tire and Rubber Company	\$US 542.4 million	Mabor General	...	Tire manufacturing
Hunt International Petroleum Company	...	Hunt International Company of Mozambique	...	Petroleum prospecting
International Basic Economy Corporation	\$US 51.4 million	Arbor Acres (Moçambique)	2.0	Poultry

Table 8 (continued)

<u>Parent company</u>	<u>Capital of parent company</u>	<u>Subsidiary in Mozambique</u>	<u>Capital of subsidiary (million escudos)</u>	<u>Activity in the Territory</u>
5. <u>United States of America (continued)</u>				
International Minerals and Chemical Corporation	\$US 229.7 million	Interminas Fluorites de Moçambique, SARL	7.5	Mining
International Telephone and Telegraph Company	\$US 3.6 billion	Standard Electric, SARL, Oliva de Moçambique, Comércio e Indústria, SARL	5.4	...
Otis Elevator Company	\$US 252.5 million	Fortis Elevadores, SARL	2.0	Elevators
Pfizer, Inc.	\$US 689.2 million	Pfizer Corporation	...	Pharmaceuticals
Skelly Oil Company	\$US 150.0 million	Sunray/Skelly/Clark	2.7	
Sun Oil Company	\$US 7.4 million	Sunray Mozambique Oil Company, Sunray/Skelly/Clark	2.7	Petroleum prospecting

APPENDIX III
SOUTHERN RHODESIA

CONTENTS

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INTRODUCTION

1. Information on the economy of Southern Rhodesia is contained in previous reports of the Special Committee to the General Assembly as well as in the eight special studies prepared by the Secretariat for Sub-Committee I. a/ Further information concerning the mandatory economic and financial sanctions imposed on the Territory by the Security Council is contained in the reports of the Security Council Committee established in pursuance of resolution 253 (1958) concerning the question of Southern Rhodesia. b/ Recent political and other developments in the Territory are outlined in the latest working paper prepared by the Secretariat for the current session of the Special Committee (A/9623/Add.2, annex).
2. Since the illegal declaration of independence in 1965, most of the pertinent information on the state of the economy and the activities of foreign economic interests in Southern Rhodesia has been withheld by the illegal régime to protect the Territory from the impact of international sanctions. Information on these questions was further curtailed in 1969 by the introduction by the illegal régime of the "Emergency Powers Regulations (1969)" which, inter alia, prohibited foreign economic and other interests operating in the Territory from "giving away economic secrets either deliberately or through negligence". Consequently, whatever information is made available, either by the illegal régime or by business interests, is largely of a general nature, in particular that concerning production figures, external trade and participation of foreign capital in the economy of the Territory. These data suggest, however, that there has been no diminution of the role of foreign economic and other interests as reported in the last special study; the economy continues to be dominated by those interests acting in co-operation with, and supported by, the illegal régime.
3. The extensive participation of foreign economic interests in the economy of Southern Rhodesia is demonstrated by the fact that there were more than 190 British economic interests in the Territory in 1967, at least 56 United States economic interests in 1969 and at least 47 South African economic interests in 1970 (see tables 12-14 below).
4. In 1974, the Government of the United Kingdom of Great Britain and Northern Ireland claimed that there were no longer any "British firms operating in Rhodesia". The illegal régime has been encouraging subsidiaries of foreign economic interests in the Territory to register in Southern Rhodesia and thereby technically become Southern Rhodesian companies. In April 1973, the

a/ For the most recent, see Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix III; *ibid.*, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix III.

b/ For the most recent, see Official Records of the Security Council, Twenty-seventh Year, Special Supplement No. 2 (S/10852/Rev.1); *ibid.*, Twenty-ninth Year, Special Supplement No. 2 (S/11178/Rev.1).

régime imposed a non-resident shareholders tax of 15 per cent on taxable profits. This tax is aimed at forcing companies not yet registered in Southern Rhodesia to do so. The tax does not apply to subsidiaries of foreign economic interests registered in Southern Rhodesia.

5. Foreign subsidiaries not registered in the Territory, such as Falcon Mines, Ltd., of the United Kingdom, have claimed that the non-resident shareholders tax would reduce their profits. Thus, two months after the imposition of the tax, 43 firms were registered in Southern Rhodesia, and in December 1973 alone, 76 firms were registered.

6. The formation of subsidiaries in Southern Rhodesia releases the subsidiaries from the legal control of the parent companies. For example, the Rio Tinto Zinc Corporation, Ltd., and Lonrho, Ltd., both of the United Kingdom, have claimed inability to control their Southern Rhodesian subsidiaries. Furthermore, the registration enables Governments to claim that no economic interests in their countries are involved in the economy of Southern Rhodesia. In fact, foreign parent companies can continue investing in their Southern Rhodesia subsidiaries by channelling the investments through their South African subsidiaries. Furthermore, these companies are a source of revenue to the illegal régime (see table 11 below).

1. POLITICAL ECONOMY OF SOUTHERN RHODESIA

7. The economic system of Southern Rhodesia has always been designed to support the political system of the white minority. The Land Apportionment Act of 1930, together with the "Land Tenure Act, 1971", in effect divide the economy of Southern Rhodesia into two non-competing racial groups, the Europeans controlling what is generally known as the money sector of the economy, and the Africans living in the traditional sector. c/ The participation of foreign economic interests has been and remains the principal method of developing the European sector and hence the economy of Southern Rhodesia.

8. The coming to power of the Labour Government in the United Kingdom in 1945 led some British economic interests, fearful of nationalization, to transfer part of their investment capital to Southern Rhodesia, where they forged a close alliance with the régime on the basis of "coincidence of interests". On the one hand, the foreign economic interests assist the economy by keeping the European population fully employed with a relatively high standard of living which, in turn, is used to attract new white immigrants. On the other, the illegal régime provides foreign economic interests with the opportunity to obtain maximum profits at lower cost, inasmuch as the Africans are utilized as a source of cheap labour (see table 9 below).

9. The Land Apportionment Act and the "Land Tenure Act" enslave the African population in poverty by forcing them to live only in the unproductive parts of Southern Rhodesia. Furthermore, the progressive decrease in African productivity has helped to create cheap labour for the European sector of the economy and thereby enable foreign economic interests to obtain maximum profits at lower cost. By this and similar economic arrangements, European farmers are also provided with a pool of cheap African labour. The African sector of the economy thus reinforces the European sector and becomes vital to the total political economy of Southern Rhodesia.

10. Foreign economic interests (as will be discussed in the last section of this report) have played a major role in the political economy of Southern Rhodesia since the unilateral declaration of independence on 11 November 1965. They have provided the illegal régime with an elaborate mechanism to evade United Nations sanctions because most of the foreign economic interests in Southern Rhodesia have interlocking arrangements with economic interests outside the Territory. These arrangements enable business deals to be conducted with Southern Rhodesia without risking the possibility of being detected. Further, the foreign economic interests co-operate with the régime to give the economy of Southern Rhodesia a new direction by manufacturing substitutes for embargoed imports. Since the introduction of sanctions, foreign interests have helped to expand the manufacturing sector of Southern Rhodesia. Under the Southern Rhodesia "war" economy, profits of foreign economic interests, except those of South African interests, cannot be repatriated; they must be reinvested in the economy, where they act as a force for stabilization.

c/ The traditional sector is mainly involved in subsistence production.

11. Also of great importance to the illegal régime is the service performed by many of the foreign economic interests in diluting the international governmental support given to United Nations sanctions. As noted in the United Nations study, Foreign Economic Interests and Decolonization (1969), d/ these interests are closely associated with certain Governments which enables them to exert influence on the policies of those Governments and thereby impede the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. A case in point is the success of the Foote Mineral Company and the Union Carbide Corporation, both of the United States of America, in persuading the United States Congress to authorize them to import certain minerals from Southern Rhodesia in direct violation of the United Nations resolutions on sanctions.

12. Foreign economic interests are involved in practically every sector of the economy. The Central Statistical Office of Southern Rhodesia revealed that, in the 1960s, two thirds of the total recorded net operating profits accrued to companies not domestically controlled.

d/ United Nations publication, Office of Public Information, document OPI/370.

2. AGRICULTURAL INTERESTS

13. Until the 1950s, there was very little involvement of foreign economic interests in the agricultural sector of Southern Rhodesia. Their participation in European agriculture, especially in the 1960s, led to a shift of emphasis from production for the internal market to production for the external market.

A. Tobacco

14. Although tobacco was the chief source of foreign exchange for Southern Rhodesia prior to 1965, foreign interests were rarely involved in the actual tobacco farming, which was left to individual European farmers. Since the imposition of sanctions, foreign economic interests have become involved in the processing and marketing of the tobacco, but no detailed information is available (see also paras. 24 and 58-63 below).

B. Sugar

15. Foreign interests have always been very much involved in the production of sugar in Southern Rhodesia. Table 1 below shows the available information on the profits earned by the four major sugar producers.

Table 1

Southern Rhodesia: sugar production controlled by foreign economic interests, 1971/72 and 1972/73

(thousand Southern Rhodesian dollars) a/

<u>Southern Rhodesian subsidiary</u>	<u>Foreign parent company</u>	<u>Nationality</u>	<u>Profits 1971/72</u>	<u>Profits 1972/73</u>
Hippo Valley Estates, Ltd.	Anglo American Corporation of South Africa, Ltd.	South African	2,778	2,872
Triangle Sugar Estates, Ltd.	Huletts Corporation	" "	3,080	3,500
Rhodesian Sugar Refineries, Ltd.	Tate and Lyle Company, Ltd.	British	...	18% above 1971/72
Sugar Marketing, Ltd.	Tate and Lyle Company, Ltd.	" "	...	...

Source: Compiled from The Rhodesia Herald.

a/ One Southern Rhodesian dollar (\$R 1.00) equals approximately \$US 1.65.

Hippo Valley Estates, Ltd.

16. As noted in the last report e/ of the Special Committee, Hippo Valley Estates, Ltd., owns the largest sugar plantation in Southern Rhodesia. In 1973, encouraged by the lucrative world sugar prices, it decided to expand the capacity of the Chiredzi mill.

17. Hippo Valley Estates also grows citrus fruits. In 1973, the company enlarged its citrus growth by 7,700 trees, indicating the company's expectation of an expanded market in the near future.

18. The company has complained, however, about the water situation in the Lowveld. Consequently the Sabi-Limpopo Authority, an agency of the illegal régime, has decided to build a dam at Turgwe-Siya at an estimated cost of \$R 7 million to enable the sugar plantations to expand.

Triangle Sugar Estates, Ltd.

19. The Huletts Corporation of South Africa, through its subsidiary, Sir J. L. Hulett and Sons (Rhodesia), Ltd., holds the controlling interest in Triangle Sugar Estates, Ltd., which owns sugar plantations in the Lowveld. Triangle Sugar Estates contributed 38.9 per cent of the group's profits in the 1972/73 financial year. The illegal régime allows it to remit 60 per cent of its profits in Southern Rhodesia to the Huletts Corporation in South Africa.

Rhodesian Sugar Refineries, Ltd. and Sugar Marketing, Ltd.

20. The Tate and Lyle Company, Ltd., of the United Kingdom originally held a 50 per cent interest in Rhodesia Sugar Refineries, Ltd., and a 69 per cent interest in Sugar Marketing, Ltd.

C. Cattle ranching

21. Cattle ranching in Southern Rhodesia is mainly carried out by individual European farmers who use African labour, but one British company is extensively involved in cattle ranching.

22. According to the Agricultural Department, cattle ranching has become a lucrative enterprise. In 1972, cattle deliveries to the Cold Storage Commission, the Southern Rhodesian cattle marketing control body, increased by 25 per cent, despite the fact that the national herd of 2.7 million cattle was reduced by 93,000 head. In 1973, the Agricultural Department reported that, as a result of excessive demand, the world price of beef had risen considerably. It should be noted that Southern Rhodesia has been successful in evading sanctions in the export of its beef.

e/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix III, paras. 27-29.

23. Lonrho, Ltd., holds over 404,000 hectares of ranching land and owns 60,000 head of cattle. The company has many diverse interests in Southern Rhodesia (see paras. 34-35 below).

D. Maize

24. Maize is produced primarily by Africans who use it as their staple food. One major foreign company, the Rhodesian Corporation, Ltd. (RHOCORP), is involved in the production of maize for export. This company also has varied interests in Southern Rhodesia (see also para. 75 below) but maize production is its main agricultural activity. As previously reported, the company claimed that its farming profits increased to \$R 92,580 in 1971/72 compared with \$R 60,418 in 1970/71. Information on its profits for 1972/73 is not available. The company also produces some tobacco; in 1972 it planted a further 102 hectares with tobacco, which yielded about 157,365 kilograms.

3. MINING INTERESTS

25. The mining sector of the Southern Rhodesian economy is completely dominated by foreign economic interests which have been attracted by the huge profits to be derived from these activities. Since the imposition of economic sanctions reduced the significance of tobacco and sugar as foreign exchange earners, the importance of minerals to the Southern Rhodesian economy has increased. According to Mr. I. B. Dillon, the "Minister of Mines", the value of mineral production in 1973 reached a record level. He said that in the first half of the year mineral production reached \$R 60.7 million, 21.4 per cent higher than the value of mineral production in the first half of 1972 and 4.8 per cent higher than that in the second half of 1972. It was anticipated that the total value of mineral production for 1973 would be about \$R 120 million, 12 per cent higher than that for 1972. The statistics for 1973 have not yet been released in full, but the Economic Survey of Rhodesia (October 1973) indicates that for every month in 1973 from January to August, except March, the value of mineral production was higher than for the comparable period in 1972 (see table 2 below).

Table 2

Southern Rhodesia: value of mineral output
(January to August), 1972 and 1973
 (million Southern Rhodesian dollars)

	<u>1972</u>	<u>1973</u>
January	7.0	9.4
February	7.1	9.3
March	9.2	9.2
April	8.8	10.2
May	9.7	10.9
June	8.2	11.7
July	9.5	14.1
August	9.4	12.3

Source: Southern Rhodesia, Monthly Digest of Statistics,
 October 1973 (Central Statistical Office, Salisbury).

26. The illegal régime has been more successful in its export of minerals than it has been with the export of tobacco and sugar, especially since November 1971 when the United States authorized imports of certain minerals from Southern Rhodesia (see table 3 below).

Table 3

Southern Rhodesia: exports of minerals to the United States,
24 January 1972-12 January 1973

<u>Mineral</u>	<u>Volume</u> (kilograms)	<u>Amount</u> (United States dollars)
Chrome ore	83,679,967	2,882,930
Ferrochrome	26,293,158	5,964,805
Nickel	1,572,427	4,412,067
Asbestos	163,080	87,900
Beryllium ore	24,244	7,868

Source: Future Direction of U.S. Policy toward Southern Rhodesia, Hearings before the Subcommittee on Africa and the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs, House of Representatives, Ninety-third Congress, First Session, 21-22 February and 15 March 1973 (U.S. Government Printing Office, Washington, 1973).

27. Thus, although mining and quarrying in 1972 accounted for only 5.7 per cent of the gross domestic product of Southern Rhodesia, its contribution to the total foreign exchange situation of the country was considerable and significant. Available information indicates that most of the foreign mining interests made large profits in the 1972/73 financial year (see table 4 below).

Table 4

Southern Rhodesia: known profits of foreign mining interests in Southern Rhodesia, 1971/72 and 1972/73
(thousand Southern Rhodesian dollars)

<u>Southern Rhodesian subsidiary</u>	<u>Foreign parent company</u>	<u>Nationality</u>	<u>Mineral</u>	<u>Profits 1971/72</u>	<u>Profits 1972/73</u>
Rhodesia Nickel Corporation, Ltd. (RHONICK)	Anglo American Corporation of South Africa, Ltd.	South African	Nickel	...	82.5% above previous year
Wankie Colliery Company, Ltd.	Anglo American Corporation	South African	Coal	1 763	1 800
Trojan Nickel Mines, Ltd.	Anglo American Corporation	South African	Nickel	...	...
Messina Rhodesia Investments, Ltd. (MERITS)	Messina (Transvaal) Development Company, Ltd. (Messina)	South African	Copper	...	...
MTD Mangula, Ltd.	Messina (Transvaal) Development Company, Ltd. (Messina)	South African	Copper	...	...
Rio Tinto (Rhodesia), Ltd.	Rio Tinto Zinc	British	Zinc	545 (12 months)	1 184 (9 months)
Dalny group of mines	Falcon Mines, Ltd.	British	Gold and copper	...	...
Coronation Syndicate, Ltd. (CORSYN)	Lonrho, Ltd.	British	Gold and copper	2 399	6 020

Source: Compiled from The Rhodesia Herald. The source was not always clear as to whether the figures indicated gross or net profit.

28. Recent information on the activities of foreign economic interests in the mining sector is summarized below.

A. Anglo American Corporation of South Africa, Ltd.

29. As is well known, the Anglo American Corporation is involved in the mining of nickel, copper, coal, iron, steel and ferrochrome in Southern Rhodesia. As at 31 December 1971 the corporation had interests in the following mining and finance companies:

Anglo American (Rhodesian Services), Ltd.
Anglo American Corporation (Rhodesian), Ltd.
Consolidated Mines Holdings (Rhodesian), Ltd.
Rhodesian Nickel Corporation, Ltd. (RHONICK)
Trojan Nickel Mines, Ltd.
Madziwa Mines, Ltd.
Bindura Smelting and Refining Company, Ltd.
Wankie Colliery Company, Ltd.

30. The Anglo American Corporation has also acquired the chrome interests of the Foote Mineral Company of the United States in Southern Rhodesia which include the Vanad and Sutton mines. It also operates the Rhodesian Alloys Ferrochrome plant in Gwelo.

31. RHONICK is one of the companies through which the Anglo American Corporation controls certain mines in Southern Rhodesia. It has taken a 36.8 per cent interest in the newly established Shangani Mining Corporation, Ltd. (see paras. 46-48 below). It also completely owns the Bindura Smelting and Refining Company, Ltd. In its financial report, for the financial year 1972/73, RHONICK claimed to have made an impressive recovery from its reduced profits of 1971/72 (see table 4 above).

32. Trojan Nickel Mines, Ltd., exploits nickel at Bindura, and the smelting is done by the Bindura Smelting and Refining Company, Ltd. Trojan Nickel Mines and Madziwa Mines, Ltd., have a combined output of 100,000 tons of ore a month. The entire share capital of the two mines has been acquired by RHONICK. Trojan Nickel Mines has recently bought the Epoch nickel claims in the Filabusi district of Southern Rhodesia. The claims are expected to produce 2.5 million tons of ore.

33. The Wankie Colliery Company, Ltd., owns coal mining rights over some 17,000 hectares and surface rights over about 38,000 hectares in the Wankie district. The total capital of the company is estimated at \$R 20 million. In 1965, the reserves at Wankie were estimated at 1.3 billion tons of coke and 654.2 million tons of other coal. The company claims that the loss of its Zambian market has reduced its profits.

B. Lonhro, Ltd.

34. Lonhro, Ltd., a United Kingdom company, has extensive mining interests in Southern Rhodesia. Through its subsidiary, Coronation Syndicate, Ltd. (CORSYN), it controls the Arcturus, Mazoe and Muriel gold mines and the Inyati copper mine, all of which made higher profits in 1973 than in 1972 (see table 4 above).

35. In 1972, Lonhro reopened the Shamva gold mine which is expected to become the biggest producer of gold in Southern Rhodesia, and last year it acquired the Howe gold mine near Bulawayo as well as options on the Athens copper mine near Umvuma. It is reported to be interested in the large Redwing gold mine near Penhalonga.

C. Rio Tinto (Rhodesia), Ltd.

36. Rio Tinto (Rhodesia), originally owned by Rio Tinto Zinc of the United Kingdom, operates the Empress Nickel Mining Company, Ltd. In 1973, Rio Tinto (Rhodesia) reportedly arrived at an agreement with Rio Trust, in which it owns a 50.1 per cent interest, whereby Rio Trust would expand its mining enterprise by buying 400,000 shares in the Empress Company from Rio Tinto (Rhodesia) at \$R 3.00 per share. Under this agreement, Rio Trust would hold a 10 per cent interest in any mining venture initiated by Rio Tinto (Rhodesia) on or after 10 October 1973. In return, it was agreed that Rio Tinto (Rhodesia) would acquire an option to purchase up to 600,000 additional shares in Rio Trust at any time between 1 October 1973 and 31 December 1978.

37. It will be recalled that, in 1971, Rio Tinto (Rhodesia) acquired the Perseverance mine, with reserves of about 1 million tons of nickel and copper ore, Rhodesian Mining Enterprises (Pvt.), Ltd. and the Great Dyke chrome mines, comprising a total of 291 chrome claims. It also obtained an option over the 160 chrome claims belonging to Frances Mine (Pvt.), Ltd. f/

D. Messina (Transvaal) Development Company, Ltd. (Messina)

38. In July 1971, Messina, a South African company in which the Anglo American Corporation holds a 10 per cent interest, reorganized its Southern Rhodesian copper interests. The company is the largest producer of copper in the Territory and controls the mining and smelting activities in the Alaska and Mangula areas of Southern Rhodesia; it now operates through two subsidiaries, Messina Rhodesia Investments, Ltd. (MERITS) and MTD Mangula, Ltd.

39. In July 1971, MERITS purchased 80.8 per cent of the issued share capital of Gwai River Mines (Pvt.), Ltd., 100 per cent of the issued share capital of Lomagundi Smelting and Mining (Pvt.), Ltd. and 100,000 shares in MTD Mangula, Ltd. It was agreed that MERITS would own 35 per cent of any business initiated by Messina in Southern Rhodesia. Messina owns a 65 per cent interest in MERITS and the Anglo American Corporation owns a 10 per cent interest.

40. The Alaska copper mine, 21 kilometres west of Sinoia, was opened in 1961. In 1973, it covered an area of about 1,189 morgen. g/ The Beardmore tungsten deposit near Bikita was brought to production in 1970. Its initial milling rate is 2,700 metric tons a month. Gwai River Mines (Pvt.), Ltd., was formed in

f/ Ibid., para. 55.

g/ A morgen is equal to 0.85 hectares.

October 1968 to develop copper prospects in the Wankie district where there are substantial deposits of proven ore reserves. Production began in May 1970. The Shackleton mine near Sinoia is now in full operation.

41. MTD Mangula, Ltd., holds 155 base copper claims, of which 34 blocks constitute the Mangula mine, 17 blocks constitute the Silverside mine and 32 blocks constitute the Norah mine. The capacity of the Silverside mine is said to be 180,000 tons per year; that of the Norah mine is said to be 216,000 tons per year.

42. Messina has a subsidiary, the Messina (Rhodesia) Development Company, Ltd., which was created for the purpose of investigating mineral deposits in Southern Rhodesia. Occasionally, it applies for prospecting permits from the illegal régime's "Department of Mines". Messina also holds a 23 per cent interest in the Southern Rhodesian Iron and Steel Company (Pvt.), Ltd. (RISCO) which owns iron refineries in Que Que.

E. Falcon Mines, Ltd.

43. Falcon Mines, Ltd., of the United Kingdom, originally owned the Dalny group of 1,673 mining claims in the Gatooma district. It also owns gold and copper mines comprising 30 claims in the Umvuma area and holds a 32.9 per cent interest in Olympus Consolidated Mines, Ltd., which owns the Commoner, Dawn and Old Nic gold mines. The Good Hope tungsten mine has been on a care and maintenance basis.

44. The total capital of Falcon Mines in Southern Rhodesia is \$R 1.2 million. Figures on total profits of all the mines are not available; the Dalny mine, the largest of Falcon's gold mines, had a net profit of \$R 783,530 for the financial year 1972/73, compared with \$R 479,937 for 1971/72. Olympus Consolidated Mines, Ltd., anticipated a net profit of \$R 100,000 for the calendar year 1973.

45. Falcon Mines, which has allocated \$R 50,000 for further prospecting in Southern Rhodesia, has had problems with the non-resident shareholders tax introduced by the régime in April 1973 (see para. 4 above). Inasmuch as it has no subsidiaries registered in Southern Rhodesia and cannot be registered both in Southern Rhodesia and the United Kingdom, the company feels that the non-resident shareholders tax would reduce its profits. It is now in the process of negotiating with the illegal régime for amelioration of its tax situation.

F. Shangani Mining Corporation, Ltd.

46. The Shangani Mining Corporation, Ltd., was incorporated in Southern Rhodesia on 29 October 1971. The Johannesburg Consolidated Investment Company, Ltd., of South Africa (JCI) owns 55.2 per cent of the corporation's shares, RHONICK holds 36.8 per cent of the shares and Major A. Hilton and Associates hold 8 per cent of the shares. JCI operates in Southern Rhodesia through its wholly owned subsidiary, Prospects of Rhodesia (Pvt.), Ltd. The Shangani Mining Corporation is expected to start mining copper and nickel in the second half of 1975. The copper and nickel will be refined by the Bindura Smelting and Refining Company, Ltd. owned by RHONICK (see para. 31 above).

47. The Shangani Mining Corporation has refused to issue any predictions on its profits, but if the mine reserves prove to contain 15 per cent nickel, as expected, the annual production would be about 7,560 tons with an estimated value of \$R 14.4 million annually at \$R 1,900 a ton. Production would cost approximately \$R 10.0 million a year, leaving a profit of \$R 4.4 million before taxes.

48. As noted previously, h/ the corporation has begun exploring the possibility of starting another nickel mine at Damba in the Inyati area.

G. Turner and Newall, Ltd.

49. Turner and Newall, Ltd. of the United Kingdom operates through its subsidiary, the Rhodesia and General Asbestos Corporation (Pvt.), Ltd., which owns mines in the Shangani and Mashaba areas and is the principal producer of asbestos in the Territory. The company's new asbestos mill, constructed at a cost of \$R 25 million, was to have begun operations in April 1972. i/

H. Union Carbide Corporation

50. The Union Carbide Corporation, the second largest chemical company in the United States, owns the following companies in Southern Rhodesia: African Chrome Mines, Ltd.; Rhodesian Chrome Mines, Ltd.; Union Carbide Rhomet (Pvt.), Ltd.; and Mitimba Estates. The corporation has operated in Southern Rhodesia for almost 51 years and regards Southern Rhodesia as the "source of the finest metallurgical chrome ore that has ever been found".

51. Rhodesian Chrome Mines, Ltd., which operates in the Selukwe area, wholly owns African Chrome Mines and, together, they produce at least 78 per cent of the total chrome output of Southern Rhodesia. Since 1967, African Chrome Mines has been on a care and maintenance basis. The Smith régime has given Rhodesian Chrome several prospecting licences for chrome, nickel, platinoids and copper.

52. Union Carbide Rhomet (Pvt.), Ltd., operates a ferro-alloy plant near Que Que with a production capacity of about 40,000 tons of ferrochrome. The company has benefited from the decision of the United States to resume importation of ferrochrome (see table 3 above).

53. Mitimba Estates is reported to be involved in afforestation and the supply of timber for mine supports.

I. Foote Mineral Company

54. The Foote Mineral Company of the United States, which formerly owned the Rhodesian Vanadium Corporation, is reported to have sold its chrome interests in Southern Rhodesia to the Anglo American Corporation.

h/ See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix III, para. 62.

i/ Ibid., para. 64.

J. American Metal Climax, Inc. (AMAX)

55. AMAX of the United States owns the Roan Selection Trust, Ltd. (RST), which holds a 50 per cent interest in Bikita Minerals (Pvt.), Ltd. Bikita Minerals produces lithium near Fort Victoria.

K. Gold Fields of South Africa, Ltd.

56. As reported previously, Gold Fields is engaged in prospecting not only for gold but also for copper, zinc and nickel.

Table 5

Southern Rhodesia: profits of foreign economic interests in the
manufacturing sector, 1971-1973
(thousand Southern Rhodesian dollars)

<u>Southern Rhodesia subsidiary</u>	<u>Foreign parent company</u>	<u>Original nationality</u>	<u>Activity</u>	<u>Profits 1971/72</u>	<u>Profits 1972/73</u>
Rothmans of Pall Mall (Rhodesia), Ltd.	House of Rothmans	British	Tobacco processing	...	6.9% over 1971/72
African Distillers	House of Rothmans	British	Beverages	400	541
BAT Central Africa, Ltd.	British-American Tobacco Company, Ltd.	British	Tobacco processing	380 ^{a/}	439 ^{a/}
Rhodesian Cables, Ltd.	British Insulated Callender's Cable	British	Cables	732	952
Rhodesian Breweries, Ltd. (RHOBREW)	South African Breweries, Ltd.	South African	Food and beverages	3 235	4 034
Premier Portland Cement Company (Rhodesia), Ltd.	Pretoria Portland Cement Company, Ltd.	South African	Cement	1 180	1 250
Rhodesian Pulp and Paper Industries (RHOPULP)	Premier Paper Mills, Ltd.	South African	Paper	312	9
Claude Neon Lights, Ltd.	Claude Neon Lights, Ltd.	South African	Fluorescent signs	...	55% over 1971/72

Source: Compiled from The Rhodesia Herald.

a/ Six months.

4. FOREIGN MANUFACTURING INTERESTS

57. The manufacturing industry is not a large earner of foreign exchange because its production is mainly for local consumption, although it has helped to conserve foreign exchange by providing substitutes for imports. Economic interests, originally registered in the United Kingdom, are largely involved in the first stages of manufacturing production and South African economic interests dominate the latter processes of production, including distribution. In the 1972/73 financial year, most of the foreign economic manufacturing interests reported large profits (see table 5 above).

A. Tobacco processing

58. Three British companies were originally involved in the processing of Southern Rhodesian Tobacco: Rothmans of Pall Mall (Rhodesia), Ltd., the British American Tobacco Company, Ltd., and the Imperial Tobacco Group, Ltd.

59. Rothmans, a subsidiary of the British House of Rothmans, has announced that the 1972/73 financial year was a successful one, reporting that "in spite of the very severe drought and drop in tourism" the company's turnover was 6.9 per cent above that of 1971/72. The company, which has increased its sales in the rural areas since its exports were reduced, claims that its rural sales rose by 57.2 per cent in 1972/73 over those of 1971/72. The total domestic sales of the company's products rose by 9.9 per cent in 1972/73 over the previous year.

60. The company expanded its production in 1973 by introducing the full range of the five brands of cigarettes offered by the House of Rothmans: Pall Mall Plian, Consulate Menthol, Rothmans King Size Filter, Pall Mall Superfilter and Rothmans International.

61. In 1973, Rothmans made some investments outside tobacco processing. It obtained an interest in Rhokelder Holdings (Pvt.), Ltd., which is connected with African Distillers, claiming that the investment is intended to assist African Distillers in obtaining foreign exchange for its new premises at Stapleford. The profits of African Distillers are reported in table 5 above. Rothmans also invested \$R 25,000 in Tiltrade, which claims to be involved in the "development" of the Tribal Trust lands.

62. The British-American Tobacco Company, Ltd., of the United Kingdom originally held shares in four subsidiaries in Southern Rhodesia: BAT Central Africa, Ltd., (49 per cent); BAT Rhodesia, Ltd., (49 per cent); Carlton Cigarette (Pvt.), Ltd., (58 per cent); and Export Leaf Tobacco Company of Africa (Pvt.), Ltd. (share unknown). The profits of BAT Central Africa are reported in table 5 above. The subsidiaries have generally not been doing well in Southern Rhodesia since 1970.

63. The Imperial Tobacco Group, Ltd., of the United Kingdom originally owned the controlling shares in the Rhodesian Leaf Organization, which manufactures cigarettes and cigars.

B. Food and beverages

64. As noted previously, Rhodesian Breweries, Ltd. (RHOBREW), in which South African Breweries, Ltd., holds a 76 per cent interest, is the largest manufacturing company in Southern Rhodesia. j/ It holds a 70 per cent interest in Heinrich's Chibuku Breweries, which manufactures and distributes African beer; a 100 per cent interest in the Rhodesian Food Corporation (Pvt.), Ltd., which manufactures a variety of foods; a 15 per cent interest in African Distillers; a 16 per cent interest in Schweppes (Central Africa), Ltd.; a 33.3 per cent interest in National Cannery (Pvt.), the largest food canning company in the Territory.

65. RHOBREW has other extensive interests outside the food and beverage industries. It owns the Southern Sun Hotels and has invested about \$R 14 million in hotels in key tourist areas. It has investments in the Hippo Valley Estates, Ltd. (see paras. 16-18 above) and in Marcat (Pvt.), Ltd., producers of pyrethrum. RHOBREW profits are reported in table 5 above.

66. Cadbury Schweppes, Ltd., of the United Kingdom, a manufacturer and distributor of confectioneries and soft drinks, originally held a 55 per cent interest in Schweppes (Central Africa), Ltd., Rhodesia.

67. Lever Brothers (Pvt.), Ltd., a manufacturer of foods, toiletries and detergents, originally wholly owned by Unilever, Ltd. of the United Kingdom, is associated with Lever Brothers, Inc. of the United States.

68. Brooke Bond Liebig, Ltd., of the United Kingdom originally owned a 33.3 per cent interest in Lyons Brooke Bond (Pvt.), Ltd., and a 33.3 per cent interest in Brook Bond (Pvt.), Ltd. J. Lyons and Company, Ltd., of the United Kingdom originally held a 66.7 per cent interest in Lyons Brook Bond (Pvt.), Ltd. These subsidiaries manufacture and distribute tea and coffee in Southern Rhodesia.

69. T. W. Beckett and Company, Ltd., of South Africa, a manufacturer and distributor of tea and coffee, has an interest in Five Roses Tea and Coffee (Rhodesia) (Pvt.), Ltd.

C. Cement

70. As noted previously, Associated Portland Cement Manufacturers, Ltd. of the United Kingdom and White's South African Portland Cement Company, Ltd., own the Salisbury Portland Cement Company, Ltd. k/ The United Kingdom company holds a 70 per cent interest in the Southern Rhodesian subsidiary.

71. The Pretoria Portland Cement Company, Ltd., of South Africa holds shares in the Premier Portland Cement Company (Rhodesia), Ltd. (see table 5 above). It also has an interest in the Rhodesia Cement, Ltd. (RHOCEM), which owns the United Portland Cement Company (Pvt.), Ltd., and is associated with some companies in Botswana and Malawi.

j/ Ibid., paras. 80-81.

k/ Ibid., para. 86.

D. Tiles

72. The Premier Portland Cement Company (Rhodesia) has joined with two other Rhodesian companies, Ceramic Holdings (Pvt.), Ltd., and IPCORN, Ltd., to form Cerama Industries (Pvt.), Ltd., which is to manufacture tiles meeting internationally accepted standards. Mr. Nick van Oudgaarden, the managing director of the new company, claims that an export market for the tiles is assured.

73. Marley, Ltd., of the United Kingdom originally owned the Marley Tile Company (Pvt.), Ltd., and Appollo Homes (Pvt.), Ltd., both of which manufacture and sell roof and floor tiles and extruded plumbing goods.

74. Vereeniging Refractors, Ltd., of South Africa has shares in Redland Tiles of Rhodesia, Ltd.

E. Bricks and building blocks

75. The Rhodesian Brick and Potteries Company, Ltd., in which RHOCORP (see para. 24 above) has a 17 per cent interest, is the leading brick-making company in the Territory. The company wholly owns the Moweld Company, which produces fencing and wire products, 1/ and has bought royalty rights in the profits of the Salisbury Brickworks.

76. Gypsum Industries, Ltd., of South Africa owns 50 per cent of Gypsum Industries (Rhodesia) and 25 per cent of Allied Rhodesian Manufacturers. Both companies produce building blocks, wall and ceiling plasters.

F. Timber

77. The Anglo American Corporation and the Plate Glass Company, both of South Africa, are in the process of embarking on a joint venture to manufacture glue-laminated timber for use in the building industry. They have established a new company called Gluelam Products, Ltd., which is building a factory in Umtali. Timber is expected to replace imported softwoods and save Southern Rhodesia \$R 500,000 annually in foreign exchange.

78. Tanganyika Concessions, Ltd., of the United Kingdom, originally owned Tanganyika Properties (Rhodesia), Ltd., and Commonwealth Timber Industries, Ltd., both of which process timber in Southern Rhodesia.

79. K and L Timbers, Ltd., of South Africa owns Rhodesian Timber Holdings, Ltd., and Timber and builders Hardware Merchants.

G. Glass

80. Plate Glass Industries (Rhodesia), Ltd., a subsidiary of the Plate Glass Company of South Africa (see para. 77 above), manufactures glass products for the automotive industry.

1/ Ibid., para. 90.

81. Consolidated Glass Works (Rhodesia), Ltd., a subsidiary of Consolidated Glass Works (South Africa), Ltd., manufactures glass and plastic containers and glass tableware.

82. Rhodesian Safety Glass (Pvt.), Ltd., which is 60 per cent owned by Pilkington Brothers, Ltd., of the United Kingdom, also manufactures glass.

H. Paper

83. The Rhodesian Fulp and Paper Industries (RhOPULP) in which Premier Paper Mills, Ltd., of South Africa has an interest, is the major paper manufacturing company in the Territory. Its report for the 1972/73 financial year indicates that the company has not yet recovered from the reduced profits of the 1971/72 financial year (see table 5 above). The company reportedly has had difficulties in obtaining adequate and regular supplies of its basic raw material.

84. BPB Industries, Ltd., of the United Kingdom originally owned 75 per cent of Allied Rhodesian Manufacturers (Pvt.), which in turn wholly owns the Salisbury Waste Paper Salvage Company (Pvt.), Ltd., Rhodesia, and the Umtali Board and Paper Mills (Pvt.), Ltd., Rhodesia. These subsidiaries manufacture paper, paper board and packaging products. In 1973, they experienced a shortage of waste paper.

I. Iron, steel and other metal products

85. The Iron and Steel Industrial Corporation (ISCOR) of South Africa owns the Rhodesian Steel Sales Company (Pvt.), Ltd.

86. Veldmaster (Rhodesia) (Pvt.), Ltd., which is 50 per cent owned by the Union Steel Corporation of South Africa, Ltd., produces specialized steel products and manufactures copper and aluminium wiring.

87. The British Metal Corporation (Central Africa) (Pvt.), a subsidiary of the Amalgamated Metal Corporation, Ltd. (AMC) of the United Kingdom, manufactures ferrous and non-ferrous metals.

88. The Metal Box Company of Central Africa, Ltd., originally 93 per cent owned by the Metal Box Company, Ltd., of the United Kingdom, manufactures metal packaging containers and closures in Salisbury.

89. As noted in a previous report, Stewarts and Lloyds of South Africa, Ltd., in which the British Steel Corporation has a 23 per cent interest, operates in Southern Rhodesia through its subsidiary, Tubemakers of Rhodesia.

90. Aberdare Cables (Africa), Ltd., of South Africa has an interest in Aberdare (Rhodesia), Ltd., a manufacturer of cables. In 1973, the Southern Rhodesian company reported that it had experienced many problems, none of which was specified, but it conceded that its financial returns for 1972/73 were lower than those for 1971/72.

J. Equipment and other tools

91. John Brown and Company, Ltd., of the United Kingdom originally held a 50 per cent interest in F. Issels and Sons, Ltd. (Rhodesia) and a 39 per cent interest in Rhodesia Alloys. Through these subsidiaries, it manufactures machines and cutting tools. Other companies in this field include Samuel Osborn, Ltd. (Rhodesia), a subsidiary of Samuel Osborn, Ltd. (South Africa), and Richard Castain (Africa), Ltd., a subsidiary of Richard Castain, Ltd., of the United Kingdom.

K. Electrical products

92. Claude Neon Lights, Ltd., of South Africa, through its Southern Rhodesian subsidiary, Claude Neon Lights, Ltd., manufactures and leases neon and fluorescent plastic signs and vacuum forced products (see table 5 above).

93. Consolidated Lighting, Ltd., of South Africa owns Consolidated Lighting (Rhodesia), Ltd., manufacturers of lighting equipment.

94. Oldham and Son (Rhodesia), Ltd., a subsidiary of Oldham and Son (Africa), Ltd., of South Africa manufactures and distributes batteries, gas detectors and miners' lamps.

95. Reyrolle, Ltd., of the United Kingdom has two subsidiaries in Southern Rhodesia. A. Reyrolle and Company (Rhodesia), Ltd., and C. A. Parsons and Company (Rhodesia) (Pvt.), Ltd. Both subsidiaries manufacture turbine generators, transformers and motors.

96. General Electric Company, Ltd., of the United Kingdom originally wholly owned GEC (Rhodesia) (Pvt.), Ltd., manufacturers of a variety of electrical products.

97. Hoover (Rhodesia) (Pvt.), Ltd., originally wholly owned by Hoover, Ltd., of the United Kingdom, manufactures and markets domestic appliances.

L. Matches

98. The Lion Match Company (Rhodesia), Ltd., is owned by both the British Match Corporation, Ltd., of the United Kingdom and the Lion Match Company of South Africa. The British partner originally owned a 64 per cent interest in the Southern Rhodesian subsidiary. Southern Rhodesia has one of the major overseas factories of the British Match Corporation.

M. Oxygen and other gases and pharmaceuticals

99. The British Oxygen Company, Ltd., originally owned Rhodesian Oxygen (Pvt.), Ltd. The Southern Rhodesian subsidiary has announced its intention to build a nitrous oxide plant at an estimated cost of \$R 70,000 and production is expected to begin in 1974. The company anticipates that local production of nitrous oxide will lead to a considerable saving of foreign exchange.

100. Geddes (Rhodesia) Ltd., in which the Glaxo Group, Ltd., of the United Kingdom originally held a 26.7 per cent interest, manufactures and sells pharmaceuticals.

N. Fertilizers and pest control

101. As noted in the previous report of the Special Committee, m/ Sable Chemical Industries, Ltd., owned by both Sable Chemical Industries (South Africa) and the Industrial Development Corporation (IDC) of South Africa, is the leading producer of nitrogenous fertilizer in Southern Rhodesia.

102. Fisons, Ltd., of the United Kingdom originally wholly owned Fison Pest Control (Central Africa) (Pvt.), Ltd., and 27.6 per cent of the Rhodesia Fertilizer Corporation, Ltd., both of which manufacture and market crop protection chemicals and agricultural fertilizers.

O. Textiles

103. As previously noted, Davis Whitehead and Sons (Rhodesia), Ltd., in which Lonrho, Ltd., originally held a 65 per cent interest, is the largest textile manufacturer in Southern Rhodesia.

104. Natal Canvas Rubber Manufacturers, Ltd., and Natal Consolidated Industrial Investment, Ltd., jointly own Consolidated Textiles (Rhodesia), Ltd., a manufacturer of textiles.

m/ Ibid., para. 93.

5. RETAIL SHOPS

105. Foreign economic interests are also involved in the retail industries of Southern Rhodesia especially department stores. As indicated in table 6 below, the retail trade value index of the department stores has remained above the 1965 trade value index since 1969. Fluctuations in the monthly index during 1973 appear in table 7 below.

Table 6

Southern Rhodesia: retail trade value index of department stores, 1966-1972

(1965 = 100.00)

1966	89.8
1967	95.2
1968	99.3
1969	104.1
1970	108.1
1971	116.8
1972	119.6

Source: Southern Rhodesia, Monthly Digest of Statistics, October 1973.

Table 7

Southern Rhodesia: monthly retail trade value index of department stores, January-July 1973

(1965 = 100.00)

January	109.7
February	101.0
March	102.6
April	111.5
May	123.7
June	119.7
July	108.8

Source: Southern Rhodesia, Monthly Digest of Statistics, October 1973.

106. South African interests dominate the department stores in Southern Rhodesia. Edgars Stores Ltd., Edwards, Ltd., Gretermans, Ltd., O K Bazaar Group, Ltd., all of South Africa have chain stores in the major cities of Southern Rhodesia. In 1973, Macy's Consolidated (Pvt.) Ltd., associated with R. H. Macy and Company of the United States, bought Duly's Angwa Street property in Salisbury from London Country Properties for \$R 1.5 million. F. W. Woolworth and Company, Ltd., of the United Kingdom, which is associated with F. W. Woolworth and Company of the United States, also has chain stores in Salisbury and Bulawayo.

107. If the figures in tables 6 and 7 are to be believed, department stores in Southern Rhodesia have been doing fairly well since 1969. n/ This may indicate either the success of the Southern Rhodesian programme to manufacture import substitutes, or the ability of Southern Rhodesia to acquire imports by evading sanctions (see A/9623/Add.2, annex, paras. 196 and ff).

6. FINANCE

108. Foreign economic interests, especially United Kingdom interests, are also involved in the banking and financial institutions of Southern Rhodesia. The Standard and Chartered Bank Group, Ltd., of the United Kingdom originally wholly owned the Standard Bank in Southern Rhodesia (100 per cent); Standard Finance, Ltd. (100 per cent); RIB Holdings (Pvt.), Ltd. (26 per cent); and the Export Credit Insurance Corporation of Rhodesia Ltd. (13 per cent). Through these subsidiaries, the Standard and Chartered Bank Group performs every aspect of banking services in Southern Rhodesia. According to the advertisements of Southern Rhodesian companies, for example, the Standard Bank has been utilized in the transactions of payments involved in the violations of sanctions. o/ Barclays Bank International, Ltd., of the United Kingdom originally had branches in the major cities of the Territory and wholly owned the Barclays Bank International Executor and Trust Company (Pvt.), Ltd., Rhodesia. The National and Grindlays Bank, Ltd., of the United Kingdom also originally owned branches in the major cities of the Territory.

7. IMPLICATIONS OF THE INVOLVEMENT OF FOREIGN ECONOMIC INTERESTS IN THE ECONOMY OF SOUTHERN RHODESIA

A. Employment

109. As stated in paragraphs 10-12 of the present report, one of the objectives of the illegal régime in encouraging the participation of foreign economic interests in the economy of the Territory is to assure that Europeans are fully employed at high salaries. An examination of the statistics provided by the illegal régime (see table 8 below), confirms that this objective has regularly been attained since 1963. In 1964, the total European population was estimated as 209,000 (see table 10 below), of whom 87,100 were employed (see table 8 below) and 50,861

n/ The retail index may include the effects of inflation, but if the retail shops had not been making profits, it is doubtful whether Macy's would be expanding at its current rate.

o/ See The Journal of Commerce, Supplement, 19 June 1972, New York.

were in school. In economic terms, these data appear to indicate the attainment of full employment. Despite sanctions, the illegal régime has continued to maintain full employment for the European population. In 1972, the total European population was estimated to be 267,000 with 112,500 in employment and 59,708 in school.

110. The manufacturing and the distributive sectors of the Southern Rhodesian economy were reported to have employed a total of 34,380 Europeans in 1964 and 43,140 Europeans in 1972 (see table 8 below). In both of these years, these two sectors employed the highest number of Europeans. In fact, in 1972, they employed a little less than half of the total European population in employment. Although the figures for non-African employment include the employment of Asians and coloureds, in fact, they form an insignificant portion of non-African employment.

111. Furthermore, the manufacturing and distributive sectors together provide considerably higher earnings for the Europeans than most of the other sectors. In 1972, the average earnings of the Europeans were \$R 3,632 (see table 8 below). Thus, foreign economic interests serve a very important function for the illegal régime in providing Europeans with employment at high salaries.

112. The picture becomes clearer when the European economic position is compared and contrasted with that of the Africans. The African population in 1964 was estimated to be 4.2 million persons (see table 10 below), of whom 647,100 were employed in the money economy (see table 9 below). In the same year 634,100 Africans were in school. Most of the Africans work in the traditional economy in which foreign economic interests have a very small role. In 1972, the total African population was estimated at 5.5 million, with 848,000 in employment in the money economy and 750,600 in school. Again, most of the Africans were involved in the traditional economy. Proportionally the number of Europeans employed each year between 1963 and 1973 rose faster than that of the Africans employed in the money economy during the same period (see tables 8 and 9 below). Furthermore, a little less than one half of the total Africans employed between 1963 and 1972 were employed in European agriculture, in which there is little participation of foreign economic interests. Therefore, the claims of the illegal régime that foreign investment in Southern Rhodesia provides Africans with more jobs must be viewed as political propaganda.

113. It has been noted above that the high salaries of the Europeans are the result of the participation of foreign economic interests in the Territory's economy. The foreign economic interests make profits even after paying high salaries to European employees by using the Africans as cheap labour. Thus, although the average wage of a European in 1972 was \$R 3,632, the average wage of an African was \$R 332. A study by the Corporate Information Center of the National Council of Churches indicates that Europeans employed by the Union Carbide Corporation in Southern Rhodesia in 1970 received a minimum salary of \$US 122.50 monthly; Africans received an average salary of \$US 50 monthly during the same period.

114. Thus, the entire employment framework of Southern Rhodesia in which foreign economic interests are of central importance is exploitative towards the Africans, remunerative towards the Europeans and profitable to the foreign economic interests. To the illegal régime, the employment framework serves the political objective of attracting white immigration into Southern Rhodesia and preventing Africans from earning high salaries which would enable them to qualify as voters within the highly qualificative franchise of Southern Rhodesia in which income is the major measuring rod.

B. Mechanism for evading sanctions

115. Since 1965, foreign economic interests have provided the illegal régime with the mechanism to evade United Nations sanctions. First, through their interlocking interests, companies in Europe and the United States can invest in Southern Rhodesia through their subsidiaries in South Africa. Since South Africa co-operates with Southern Rhodesia in many ways, it is difficult to detect foreign investments channelled through South Africa. Through this complex process, Southern Rhodesia has been able to evade United Nations sanctions.

116. Second, the prevalence of foreign economic interests in the economy of Southern Rhodesia enables the illegal régime to pass to the companies the burden of sustaining the economy and employment levels. Through a series of actions taken under the "Emergency Powers Regulations (1969)", the illegal régime has been able to insist that profits, except for certain South African subsidiaries, cannot be repatriated. This has compelled foreign companies to reinvest their profits in Southern Rhodesia. Furthermore, the companies are not allowed to dismiss employees without the permission of the Minister of Labour, thus enabling employees, especially Europeans, to continue to be employed by the foreign companies even if they are not making any contribution to the productive process of the company. Through a process of preventing their unemployment, the illegal régime has therefore been able to shield the European population from feeling the burden of sanctions. Although such compulsory employment should reduce the profits of the companies, the companies have minimized the loss of profit by dismissing African employees and by refusing to increase the salaries of working Africans.

117. In 1973, the illegal régime turned to foreign economic interests to increase public revenue. In order to avoid alienating the Europeans by increasing income and property taxes, a non-resident shareholders tax at the rate of 15 per cent on taxable profits was imposed on subsidiary companies in Southern Rhodesia (see para. 4 above). The régime expected to raise \$R 6.5 million in revenue from this tax in 1973.

Table 8

Southern Rhodesia: employment and earnings of European, Asian and Coloured persons, 1963-1972

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
A. <u>Number in employment</u>										
Agriculture and forestry	4 440	4 390	4 360	4 370	4 090	4 060	4 540	4 590	4 300	4 350
Mining and quarrying	2 630	2 740	2 950	3 140	3 230	3 340	3 450	3 740	3 670	3 660
Manufacturing	14 090	14 060	15 100	15 110	15 700	16 890	17 480	18 490	19 720	21 250
Electricity and water	1 210	1 200	1 220	1 260	1 310	1 380	1 410	1 440	1 590	1 690
Construction	5 770	5 370	5 670	5 900	6 000	6 610	7 120	7 490	7 890	7 830
Finance, insurance and real estate	5 630	5 630	5 680	5 690	5 740	5 970	6 380	6 550	7 070	7 740
Distribution, restaurants and hotels	20 780	20 320	19 900	18 080	17 970	18 960	19 630	19 970	21 000	21 890
Transport and communications	9 400	9 130	9 660	9 960	10 130	9 970	10 020	10 240	10 450	10 740
Public administration	9 410	8 980	9 600	10 380	10 760	11 010	11 330	11 530	12 170	12 450
Education	5 400	5 480	5 630	5 740	5 790	5 930	6 120	6 580	6 600	6 920
Health	2 610	2 660	2 800	2 860	2 920	3 010	3 040	3 180	3 480	3 790
Private domestic service	330	350	350	370	400	430	430	480	480	480
Other services	6 660	6 780	6 860	7 230	7 680	8 200	8 620	9 380	9 550	9 680
Total	88 400	87 100	89 800	90 100	91 700	95 800	99 600	103 700	108 000	112 500
B. <u>Average earnings</u> (Southern Rhodesian dollars)										
Agriculture and forestry	2 500	2 620	2 729	2 540	2 592	2 562	2 643	2 658	2 650	3 078
Mining and quarrying	3 254	3 324	3 438	3 486	3 490	3 640	4 224	4 456	4 810	4 913
Manufacturing	2 718	2 788	2 874	2 952	3 032	3 162	3 330	3 624	3 845	4 150
Electricity and water	3 058	3 250	3 361	3 413	3 435	3 696	3 830	3 840	4 368	4 659
Construction	2 669	2 682	2 787	2 864	2 817	2 935	3 118	3 244	3 714	4 163
Finance, insurance and real estate	2 452	2 544	2 584	2 654	2 790	2 958	3 110	3 280	3 326	3 701
Distribution, restaurants and hotels	1 992	2 067	2 161	2 251	2 320	2 426	2 476	2 654	2 944	3 141
Transport and communications	2 723	2 859	2 930	3 183	3 248	3 210	3 423	3 564	3 756	4 136
Public administration	2 618	2 574	2 684	2 770	2 780	2 920	3 082	3 129	3 332	3 559
Education	2 292	2 210	2 258	2 314	2 364	2 546	2 700	2 709	3 114	3 382
Health	1 908	1 862	1 904	2 048	2 038	2 166	2 314	2 388	2 660	2 767
Private domestic service	960	960	960	970	980	990	1 000	1 000	1 050	1 050
Other services	2 267	2 257	2 289	2 282	2 265	2 463	2 575	2 569	2 660	2 841
Total	2 438	2 488	2 575	2 666	2 720	2 823	2 973	3 113	3 357	3 632

Source: Economic Survey of Rhodesia, 1973 (Government Printer, Salisbury).

Table 9

Southern Rhodesia: employment and earnings of Africans, 1963-1972

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
A. <u>Number in employment</u> (thousands)										
Agriculture and forestry	282.0	293.0	289.0	272.0	271.0	282.0	300.5	290.5	303.4	338.2
Mining and quarrying	40.9	41.6	44.6	45.7	47.3	48.4	50.4	53.3	53.9	54.5
Manufacturing	63.8	65.0	68.8	68.5	74.7	82.0	90.2	99.5	105.3	112.6
Electricity and water	3.7	3.7	3.7	3.8	3.8	4.1	4.0	4.2	4.2	4.4
Construction	29.4	28.2	29.4	30.1	30.6	36.1	40.3	42.5	47.0	51.2
Finance, insurance and real estate	1.9	2.1	2.3	2.3	2.5	2.5	2.6	2.8	2.8	2.9
Distribution, restaurants and hotels	41.2	41.9	41.3	38.7	40.6	43.4	46.7	46.2	50.7	57.6
Transport and communications	15.5	15.0	15.8	15.5	15.7	15.8	15.9	17.0	18.7	19.2
Public administration	20.5	17.7	20.1	21.3	23.0	24.3	25.9	27.1	26.9	26.8
Education	21.4	22.3	23.5	24.5	23.5	24.3	24.8	24.4	24.4	24.9
Health	6.0	6.2	6.4	6.6	6.9	7.2	7.2	7.5	7.9	8.1
Private domestic service	94.7	93.7	94.7	95.7	97.8	102.0	105.8	108.4	114.2	120.1
Other services	15.4	17.0	17.0	19.3	20.4	20.7	21.0	23.8	25.1	27.5
Total	635.0	647.1	656.0	644.0	658.0	693.0	735.0	747.0	785.0	848.0
B. <u>Average earnings</u> (Southern Rhodesian dollars)										
Agriculture and forestry	122	123	123	124	122	122	122	126	131	135
Mining and quarrying	264	288	298	300	308	322	334	343	353	358
Manufacturing	363	396	416	424	431	443	474	478	481	525
Electricity and water	324	324	378	368	395	390	400	448	486	511
Construction	306	333	361	359	366	396	380	433	488	510
Finance, insurance and real estate	430	486	524	580	590	620	656	714	744	751
Distribution, restaurants and hotels	294	322	344	349	374	388	403	450	479	484
Transport and communications	517	575	623	632	649	626	652	626	738	774
Public administration	324	338	344	364	360	376	408	409	476	559
Education	433	462	468	502	540	568	605	651	757	761
Health	352	362	438	486	496	532	564	579	619	670
Private domestic service	212	220	224	226	234	242	244	256	260	276
Other services	338	318	318	321	348	382	414	420	414	425
Total	224	235	246	256	264	274	283	302	321	332

Source: Economic Survey of Rhodesia, 1973 (Government Printer, Salisbury).

Table 10

Southern Rhodesia: estimated de facto population, 1963-1972
(thousands)

<u>Year</u>	<u>African</u>	<u>European</u>	<u>Asian</u>	<u>Coloured</u>	<u>Total</u>
1963	4 050	215	7.7	11.8	4 280
1964	4 190	209	7.9	12.4	4 420
1965	4 330	213	8.2	13.0	4 560
1966	4 470	214	8.4	13.6	4 710
1967	4 630	218	8.7	14.3	4 870
1968	4 790	226	8.9	15.0	5 040
1969	4 960	234	9.1	15.7	5 220
1970	5 130	243	9.2	16.5	5 400
1971	5 310	255	9.4	17.2	5 590
1972	5 490	267	9.6	17.8	5 780

Source: Economic Survey of Rhodesia, 1973 (Government Printer, Salisbury).

Table 11

Southern Rhodesia: data available on capital, profits and tax payments of companies operating in Southern Rhodesia, 1970

(Southern Rhodesian dollars)

<u>Company</u>	<u>Authorized capital</u>	<u>Profit, 1970</u>	<u>Tax payments, 1970</u>
African Distillers	950 000	328 405 ^{a/}	59 154 ^{a/}
Art Printers	700 000	89 093	37 520
BAT Central Africa, Ltd.	3 000 000	867 000	302 000
Border Forests (Rhodesia)	5 000 000	-59 572	-
CAPS Holdings	1 500 000	417 142 ^{a/}	111 657 ^{a/}
CBR Bentalli	600 000	122 117	39 000
Clan Holdings	2 500 000	...	...
Commercial and Industrial Holdings	400 000	72 749	29 983
Commonwealth Timber Industries, Ltd.	4 500 000	459 287	147 956
Coronation Syndicate, Ltd. (CORSYN) ^{b/}	5 000 000	1 318 274	42 000
Divide Chrome Mines	300 000	-2 849	-
Falcon Mines, Ltd. ^{c/}	600 000	319 900	45 031
Freeholds Corporation of Rhodesia	4 000 000	260 242	91 501
Gatooma Textiles	500 000	205 772	76 000
Gilbert's Distillers	300 000	45 020 ^{d/}	...
Globe and Phoenix Gold Mining Company ^{e/}	500 000	152 848	61 487
Haddon and Sly	500 000	67 645 ^{d/}	...
Heinrich's Chibuku Breweries	1 000 000	665 290	209 449
Hippo Valley Estates, Ltd.	7 500 000	874 000	...
Hodgson and Myburgh	1 000 000	22 505	...
Inyanya Mountains Hotel ^{c/}	100 000	9 543 ^{e/}	...
IPCORN, Ltd.	2 500 000	96 395	8 153
Johnson and Fletcher	1 200 000	493 728	202 668
Kingstons	600 000	158 430	59 439

Table 11 (continued)

<u>Company</u>	<u>Authorized capital</u>	<u>Profit, 1970</u>	<u>Tax payments, 1970</u>
Macy's Consolidated (Pvt.), Ltd.	3 000 000	427 714	170 537
Mashaba Rhodesian Asbestos <u>c/</u>	300 000	...	...
Mashonaland Holdings	3 000 000	473 603 ^{a/}	170 255 ^{a/}
More Wear Industrial Holdings	3 000 000	343 058	120 672
MPD Mangula, Ltd.	10 000 000	12 598 000	3 712 000
Neon Fluorescent	600 000	217 100	90 500
Netherlands Bank of Rhodesia	4 000 000	461 000 ^{d/}	...
North Chartered and Exploration Company	200 000	52 228	10 500
Palte-Harris Industrial Holdings	4 000 000	...	...
Philpott and Collins	500 000	64 822 ^{d/}	...
Plate Glass Industries (Rhodesia), Ltd.	3 750 000	1 215 618	533 637
Premier Portland Cement Company (Rhodesia), Ltd.	1 250 000	690 203	59 904
Rhodesia Cement, Ltd.	3 000 000	812 434	111 822
Rhodesia Omnibus	600 000	518 222	179 137
Rhodesia Sugar Refineries	1 175 000	285 203	124 600
Rhodesia Tea Estates	2 500 000	474 307	123 570
Rhodesia Television	500 000	139 599	57 170
Rhodesia Tobacco Warehouse and Export Company	1 500 000	149 951	49 032
Rhodesian Acceptances	2 000 000	249 305	150 001
Rhodesian Breweries, Ltd. (RHOBREW)	10 000 000	4 093	1 580
Rhodesian Brick and Potteries Company, Ltd.	1 000 000	329 000	131 000
Rhodesian Cables	1 100 000	713 190	245 315
Rhodesian Corporation, Ltd. (RHOCORP) <u>c/</u>	1 511 110	167 582	24 104

Table 11 (continued)

<u>Company</u>	<u>Authorized capital</u>	<u>Profit, 1970</u>	<u>Tax payments, 1970</u>
Rhodesian Engineering and Steel Construction Company	1 000 000	536 427	178 408
RHOLOW	350 000	...	...
Rhodesian Printing and Publishing Company	600 000	564 935	185 099
Rhodesian Pulp and Paper Industries (RHOPULP)	2 000 000	...	...
Rho Treads Holdings	1 000 000	226 813	75 000
Rio Tinto (Rhodesia), Ltd.	6 400 000	1 525 472 ^{e/}	3 680 ^{e/}
Rothmans of Pall Mall (Rhodesia), Ltd.	2 000 000	545 620 ^{d/}	...
Salisbury Portland Cement Company, Ltd.	2 500 000	527 110	204 400
Schweppes (Central Africa), Ltd. ^{c/}	480 000	37 335 ^{e/}	...
Sherwood Star Gold Mining Company	250 000	38 108	6 790
Tanganyika Concessions, Ltd. ^{c/}	10 000 000	3 003 000	578 000
Tobacco Auctions	2 500 000	554 200	183 800
Tobacco Sales	800 000	217 205	69 259
Union and Rhodesian Mining and Finance Company	1 200 000	332 651 ^{d/}	...
Wankie Colliery Company, Ltd.	20 000 000	4 106 000	1 210 000

Source: Beerman's Financial Year Book of Southern Africa, 1971, vols. I and II (Combine Publishers, Johannesburg, 1971).

a/ Figures for 1971.

b/ South African rand.

c/ Pounds sterling.

d/ Net profit after taxes.

e/ Figures for 1969.

Table 12

Southern Rhodesian subsidiaries of companies originally registered
in the United Kingdom of Great Britain and Northern Ireland (1967)

A. United Kingdom companies

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
<u>Mining</u>		
Amalgamated Metal Corporation, Ltd.	Rhonda Chrome Mines (Pvt.), Ltd.	Mining
Associated Electrical Industries, Ltd.	Rhodesia Mica Mining Company (Pvt.), Ltd.	Mining of mica
	Grand Parade Associated Mines (Pvt.), Ltd.	Mining
William Baird and Company, Ltd.	Rex Asbestos Mines, Ltd.	Mining of asbestos
Lonrho, Ltd.	Corsyn Consolidated Mines, Ltd. (a subsidiary of Coronation Syndicate, Ltd. (CORSYN), South Africa)	Mining
Mashaba Rhodesian Asbestos Company	DSO Asbestos (Pvt.), Ltd.	Mining and manufacturing of asbestos
	Rosey Cross Asbestos (Pvt.), Ltd.	" "
Rio Tinto Zinc Corporation, Ltd.	Rio Tinto (Rhodesia), Ltd.	Mining of nickel and copper
Turner and Newall, Ltd.	African Associated Mines (Pvt.), Ltd.	Mining and refining asbestos
<u>Others</u>		
Aberdare Holdings, Ltd.	South Wales Electric (Pvt.), Ltd.	Manufacturer of cables
Aberfoyle Plantations, Ltd.	Aberfoyle Plantations (Rhodesia) (Pvt.), Ltd.	Plantation estates
Acrow (Engineers), Ltd.	Acrow (Rhodesia) (Pvt.), Ltd.	Engineering
Air Holdings, Ltd.	Air Carriers, Ltd.	Transportation
Edgar Allen and Company, Ltd.	Edgar Allen and Company (Rhodesia), Ltd.	...

Source: Compiled from Who Owns Whom (United Kingdom edition) (London: O. W. Reskill Ltd., 1967).

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Amalgamated Metal Corporation, Ltd.	British Metal Corporation (Central Africa) (Pvt.), Ltd.	Manufacturer of ferrous and non-ferrous metals
	City and Suburban Investment Company (Pvt.), Ltd.	Investments
	Dakins Plant and Machinery (Pvt.), Ltd.	Manufacturer of machinery
Anglo-American Direct Tea Trading Company	Eastern Highlands of Rhodesia Plantation (Pvt.), Ltd.	Grower of tea
George Angus and Company, Ltd.	George Angus (Rhodesia) (Pvt.), Ltd.	Printing and publishing
	A. H. Properties (Pvt.), Ltd.	
Aspro-Nicholas, Ltd.	Nicholas Products (S. Rhodesia), Ltd.	...
Associated Electrical Industries, Ltd.	Associated Electrical Industries Central Africa (Pvt.), Ltd.	Manufacturer of electrical equipment
Associated Portland Cement Manufacturers, Ltd.	Salisbury Portland Cement Company, Ltd.	Manufacturer of cement
BPB Industries, Ltd.	Allied Rhodesian Manufacturing (Pvt.), Ltd.	Manufacturer of paper
	Umtali Board and Paper Mills (Pvt.), Ltd.	" "
William Bain and Company, Ltd.	William Bain and Company (Rhodesia) (Pvt.), Ltd.	...
William Baird and Company, Ltd.	Central African Steel Company, Ltd.	Steel industry
Bank of London and South America, Ltd.	Allied National Corporation Rhodesia (Pvt.), Ltd.	Finance
Bestobell, Slough, Bucks, (formerly Bells Asbestos and Engineering (Holdings Ltd.))	Bells Asbestos and Engineering (Rhodesia) (Pvt.), Ltd.	Refiner of asbestos products
	Vermiculite Industrial Corporation of Rhodesia (Pvt.), Ltd.	...
Blackwood Hodge, Ltd.	Blackwood Hodge (Rhodesia) (Pvt.), Ltd.	Servicing and leasing of construction equipment

Table 12 (continued)

<u>United Kingdom</u> <u>parent company</u>	<u>Southern Rhodesian</u> <u>subsidiary</u>	<u>Activities</u>
Alfred Booth and Company, Ltd.	Elmer Cubitt Engineering Company, Ltd.	Engineering
Boots Pure Drug Company, Ltd.	Boots Pure Drug Company (Southern Rhodesia) (Pvt.), Ltd.	Manufacturer of pharmaceuticals
Bowmakers, Ltd.	Bowmakers (CA) (Pvt.), Ltd.	...
C. T. Bowring and Company, Ltd.	Bowring, Duncam Lowndes Beddall (Pvt.), Ltd. Rhodesia	...
	Motor General Assessors (Pvt.), Ltd.	...
Bray Gibb (Holdings), Ltd.	Bray Gibb (Pvt.), Ltd.	...
British-American Tobacco Company, Ltd.	BAT Rhodesia, Ltd., Export Leaf Tobacco Company of Africa (Pvt.), Ltd.	Manufacturer of tobacco
British Assets Trust, Ltd.	Rhodesian Assets Investments, Ltd.	Finance
British Building and Engineering Appliances, Ltd.	African Equipment Company (Pvt.), Ltd.	Refines and fabricates copper and aluminium
	British Insulated Callender's Cable (Central Africa) (Pvt.), Ltd.	Manufacturer of cables
	Rhodesian Cables, Ltd.	...
British Leyland Motor Corporation, Ltd.	Leyland Motor Corporation of Rhodesia, Ltd.	Manufacturer of buses, trucks and heavy lorries
	Standard-Triumph (Rhodesia), (Pvt.), Ltd.	" "
British Match Corporation Ltd.	Lion Match Company (Rhodesia), Ltd. (subsidiary of Lion Match Company, Ltd., of South Africa)	Manufacturer of matches
British Motor Corporation	Austin Motor Company (Rhodesia) (Pvt.), Ltd.	Assembling automobiles
	British Motor Corporation (Rhodesia) (Pvt.), Ltd.	" "
	Morris Motors (Rhodesia) (Pvt.), Ltd.	" "
British Oxygen Company, Ltd.	Rhodesia Oxygen (Pvt.), Ltd.	Manufacturer of oxygen

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
British Petroleum Company, Ltd.	BP Rhodesia (Pvt.), Ltd.	Refining of petroleum products
	Central African Petroleum Refineries, (Pvt.), Ltd.	" "
J. Brockhouse and Company, Ltd.	Brockhouse-Allen (Pvt.), Ltd.	...
	J. Brockhouse (Rhodesia), Ltd.	...
Brooke-Bond and Company, Ltd.	Lyons Brooke Bond (Rhodesia) (Pvt.), Ltd.	Distributor of tea and coffee
John Brown and Company, Ltd.	F. Issels and Son, Ltd. Rhodesia	...
	Drury Wickman (Central Africa), Ltd.	...
	Wickman (Rhodesia) (Pvt.), Ltd.	...
	Rhodesian Alloys (Pvt.), Ltd.	...
Cable and Wireless (Holdings), Ltd.	Electra Investments (Rhodesia), Ltd.	Investment company
	Electra Property Investment Company, Ltd.	" "
Calico Printers Association, Ltd.	Cepea Rhodesia (Pvt.), Ltd.	Manufacturer of clothing
Caravans International,	Caravan Manufacturers of Rhodesia, Ltd.	Manufacturer of caravans
Caxton Holdings, Ltd.	Caxton Rhodesia (Pvt.), Ltd.	...
Cementation Company, Ltd.	Cementation Company (Rhodesia), Ltd.	...
Cerebos, Ltd.	Cerebos (Rhodesia) (Pvt.), Ltd.	...
	Cerebos Foods (Rhodesia) (Pvt.), Ltd.	...
Andrew Chalmers International, Ltd.	Andrew Chalmers (Africa) (Pvt.), Ltd.	Trading business
	British African Trading Company (Pvt.), Ltd.	" "
	Mashonaland Tobacco Company (Pvt.), Ltd.	Manufacturer of tobacco
Chloride Electrical Storage Company, Ltd.	Chloride Electrical Storage Company, Ltd. (CA), Rhodesia	Manufacturer of Battery equipment
	Battery Makers of Central Africa (Pvt.), Ltd.	" "

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Chubb and Son, Ltd.	Burgot Automatic Alarms (Pvt.), Ltd.	Manufacturer of automatic alarms
	Josiah Parkes and Son (Rhodesia) (Pvt.), Ltd.	" "
C. and J. Clark, Ltd.	C. and J. Clark Rhodesia, Ltd.	...
Coates Brothers and Company, Ltd.	Coates Brothers (Central Africa) (Pvt.), Ltd.	...
A. Cohen and Company, Ltd.	Metal Sales Company (Rhodesia) (Pvt.), Ltd.	...
Commonwealth Development Corporation	CDC Rhodesia (Pvt.), Ltd.	...
	Industrial Promotion Corporation, Central Africa Ltd.	...
Consolidated Tea and Lands Company, Ltd.	Eastern Highlands of Rhodesia Plantations (Pvt.), Ltd.	Grower of tea
Cope Allman International, Ltd.	Copeall (Pvt.), Ltd.	...
	Plastex Products (Pvt.), Ltd.	...
Willman Cory and Son, Ltd.	Cory Mann George (Pvt.), Ltd.	...
Richard Costain, Ltd.	Richard Costain (Africa), Ltd.	Construction development
Courtaulds, Ltd.	Cellophane Packaging (Pvt.), Ltd.	...
Crittall-Hope, Ltd.	Crittall-Hope (Rhodesia), Ltd.	...
Davy-Ashmore, Ltd.	Davy-Ashmore Central Africa (Pvt.), Ltd.	...
Delta Metal Company, Ltd.	Curling and Company (Pvt.), Ltd.	Manufacturer and marketing of non-ferrous metals
	Enfiled Cables (Rhodesia), Ltd.	" "
Derby and Company, Ltd.	Derby and Company Rhodesia (Pvt.), Ltd.	...
	Rutala Mines (Pvt.), Ltd.	...
Dickinson-Robinson Group, Ltd.	Paper Holdings (Pvt.), Ltd.	Manufacturer of stationery
	E. S. and A. Robinson (Rhodesia) (Pvt.), Ltd.	" "
	Sellotape Rhodesia (Pvt.), Ltd.	" "

Table 12 (continued)

<u>United Kingdom</u> <u>parent company</u>	<u>Southern Rhodesian</u> <u>subsidiary</u>	<u>Activities</u>
Drake and Gorham, Scull, Ltd.	Drake and Gorham (Contractors) (Rhodesia) (Pvt.), Ltd.	...
Dunlop Rubber Company, Ltd.	Dunlop Rhodesia, Ltd.	Manufacturer of tires
Ebonite Containers Company, Ltd.	Ferguson Shiers (Rhodesia) (Pvt.), Ltd.	... ...
	Karina Carpets (Pvt.), Ltd.	...
Ellams Duplicator Company, Ltd.	Ellams (Pvt.), Ltd.	...
English Electric Company, Ltd.	English Electric Company (Central Africa) (Pvt.), Ltd.	Manufacturer of electrical equipment
English Sewing Cotton, Ltd.	Barlow and Jones (Rhodesia) (Pvt.), Ltd.	...
F. R. Evans (Leeds), Ltd.	F. R. Evans (Rhodesia) (Pvt.), Ltd.	...
Fairey Company, Ltd.	Fairey Air Surveys of Rhodesia (Pvt.), Ltd.	...
James Finlay and Company, Ltd.	Eastern Highlands of Rhodesia Plantations (Pvt.), Ltd.	Grower of tea
	James Finlay and Company (Rhodesia) (Pvt.), Ltd.	" "
Fisons, Ltd.	Albatros Fisons Fertilizers, Ltd.	Manufacturer/ marketing of fertilizers
	Fisons Pest Control (Central Africa) (Pvt.), Ltd.	" "
A. B. Fleming (Holdings), Ltd.	Winstones (Rhodesia) (Pvt.), Ltd.	...
Forestal Land Timber and Railways Company, Ltd.	Winstones (Rhodesia) (Pvt.), Ltd.	...
Friends Provident and Century Life Office	Century House, Ltd.	...
General Electric Company,	GEC Rhodesia (Pvt.), Ltd.	Manufacturer of electrical products
	Woods Fans (Pvt.), Ltd.	" "
Gestetner, Ltd.	Gestetner (Rhodesia) (Pvt.), Ltd.	Manufacturer of printing equipment

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Anthony Gibbs and Sons, Ltd.	Gibbs and Company (Central Africa) (Pvt.), Ltd.	...
Globe and Telegraph Trust, Ltd.	Electra Investments (Rhodesia), Ltd.	...
	Electra Property Investment Company, Ltd.	...
Goode Durrant and Murray (Consolidated), Ltd.	Allen, Wack and Shepherd (Rhodesia), Ltd.	...
	Thaine Buildings (Pvt.), Ltd.	...
	E. Whiteaway and Company (Pvt.), Ltd.	...
Gourock Ropework Company, Ltd.	Gourock Ropes and Canvas (Rhodesia), Ltd.	...
Griqualand Exploration and Finance (United Kingdom) Ltd. (controlled by the Federal Mynbou group, South Africa)	Asbestos Refining Company of Rhodesia (Pvt.), Ltd.	Refiner of asbestos
	Saamwork Asbestos, Ltd.	" "
Guest, Keen and Nettlefolds, Ltd.	Bolt Manufacturers (Africa), Ltd.	...
	Rootes (CA) (Pvt.), Ltd.	...
Guthrie and Company (UK), Ltd. (controlled by Guthrie and Company, Ltd., Singapore)	Kintyre Estates, Ltd.	...
	Guthrie and Company (Rhodesia) Pvt., Ltd.	...
	Acorn Properties, Ltd.	...
	D and G Scale Company (Pvt.), Ltd.	...
	Harrington and Company (Rhodesia) (Pvt.), Ltd.	...

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Hackbridge Holdings, Ltd.	Hackbridge Automation (Pvt.), Ltd.	Manufacturer of electrical equipment
	Hackbridge Electrical Construction Company (Pvt.), Ltd.	" "
	Hackbridge Overseas (Pvt.), Ltd.	" "
Hall Engineering (Holdings), Ltd.	Hall and Pickles (Rhodesia) (Pvt.), Ltd. (controlled by Hall, AG, Switzerland)	...
	Hall Engineering Industries (Pvt.), Ltd. (controlled by Hall, AG, Switzerland)	...
	BRC Weldmarsh (Pvt.), Ltd. (a subsidiary of Hall Engineering Rhodesia)	...
Hall-Thermotank, Ltd.	Hall-Thermotank (Rhodesia) (Pvt.), Ltd. (a subsidiary of Hall-Thermotank (Africa) (Pty.), Ltd., South Africa)	...
	(James Howden and Company, Ltd. is listed as associated with Hall-Thermotank (Africa) (Pty.), Ltd., South Africa)	
Hailand Engineering Company, Ltd.	Agents and overseas offices in Southern Rhodesia	...
Harris and Sheldon Group, Ltd.	Harris and Sheldon (Rhodesia) (Pvt.), Ltd.	...
Hawker Siddeley Group, Ltd.	Crompton Parkinson (Central Africa) Pvt., Ltd.	...
	Hawker Siddeley Brush (Pvt.), Ltd.	...
	HS International (Pvt.), Ltd.	...
Higham, Ltd.	Highams (Rhodesia) (Pvt.), Ltd.	...
Hill, Samuel and Company, Ltd.	Heywood Investments Central Africa (Pvt.), Ltd.	Banking
	Merchants Bank of Central Africa, Ltd.	"
Holman Brothers, Ltd.	AH Properties (Pvt.), Ltd.	...

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Hunselt (Holdings), Ltd.	Hunselt Engineering Central Africa (Pvt.), Ltd.	...
Hunting Group of Companies	Field Aircraft Services Central Africa (Pvt.), Ltd. (a subsidiary of Hunting Associated Industries, Ltd.) Hunting Surveys (Rhodesia) (Pvt.), Ltd.	...
Illingworth, Morris Company, Ltd.	Joshua Hoyle and Sons Central Africa (Pvt.), Ltd.	...
Imperial Chemical Industries, Ltd. (African Explosives and Chemical Industries South Africa, Ltd. (associate of Imperial Chemical Industries (South Africa), Ltd.))	African Explosives and Chemical Industries (Rhodesia), Ltd. Dulux (Rhodesia), Ltd.	Manufacturer of chemical products " "
Imperial Tobacco Company (of Great Britain and Ireland), Ltd.	Imperial Tobacco Company, Ltd. (branch)	Manufacturer of tobacco
Ibucon, Ltd.	AIC (Central Africa) (Pvt.), Ltd. (a subsidiary/associate of Associated Industrial Consultants (AIC), Ltd.)	...
Inclledon and Lamberts, Ltd.	Abbigill (Pvt.), Ltd. H. Inclledon and Company (Central Africa), Ltd.	... ...
International Computers and Tabulators, Ltd.	International Computers and Tabulators (Central Africa) (Pvt.), Ltd.	Distributor of computers
William Jacks and Company, Ltd.	William Jacks and Company (Rhodesia), Ltd.	...
Kenning Motor Group, Ltd.	Car Mart (Rhodesia) (Pvt.), Ltd. Car Mart (SR) (Pvt.), Ltd. Car Mart Properties, Ltd.	Distributor and retailer of cars " " " "
William Kenyon and Sons, Ltd.	William Kenyon and Sons (Central Africa) (Pvt.), Ltd.	...

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Lamberton and Company, Ltd.	Lamberton and Company (Rhodesia) (Pvt.), Ltd.	...
Lamson Industries, Ltd.	Caribonum Central Africa (Pvt.), Ltd. (subsidiary/associate of Caribonum Trust, Ltd.)	...
	Lamson Paragon Central Africa (Pvt.), Ltd. (subsidiary/ associate of Lamson Paragon South Africa (Pty.), Ltd.)	...
Lancashire Steel Corporation, Ltd.	Lancashire Steel (Rhodesia) (Pvt.), Ltd.	...
Lead Industries Group	Fry's Metals (Rhodesia) (Pty.), Ltd. (subsidiary of Fry's Diecastings, Ltd.)	
Leyland Paints, Ltd.	Leyland Paint and Varnish Company (Rhodesia) (Pvt.), Ltd.	Manufacturer of paints
Liebig's Extract and Meat Company	Liebig's Central African Food Corporation, Ltd.	Manufacturer of foods
Lloyds and Scottish, Ltd. (owned jointly by Lloyds Bank, Ltd., and National Commercial Bank of Scotland, Ltd.)	Scottish Rhodesian Finance, Ltd. (a subsidiary of Lloyds and Scottish Finance, Ltd.)	Finance
London County Freehold and Leasehold Properties, Ltd.	London County Properties of Rhodesia (Pvt.), Ltd. Dolphin House (Pvt.), Ltd. Jarian Holdings (Pvt.), Ltd.	... ... ...
London Press Exchange, Ltd.	LPE Central Africa (Pvt.), Ltd. Market Research Africa (Rhodesia) (Pvt.), Ltd. (both subsidiaries/ associates of LPE International (Africa), Ltd.)	... ...
Longman Group of Publishing Companies Ltd. (formerly Longmans, Freen and Company, Ltd.)	Longmans of Rhodesia (Pvt.), Ltd.	Distributor of books and stationery

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Lonrho, Ltd., (formerly London and Rhodesian Mining and Land Company, Ltd., name changed to Lonrho, Ltd., in 1963)	AOP of Rhodesia (Pvt.), Ltd. Consolidated Holdings, Ltd. Consolidated Motors (Pvt.), Ltd. H. S. Investment (Pvt.), Ltd. Heinrich's Processing Products (Pvt.), Ltd. (a subsidiary of the previous firm) Lonrho Investment Company, Ltd. Unit Trust Fund Managers (Pvt.), (a subsidiary of the previous firm) North Charterland Exploration Company (1937), Ltd.	Investment and other activities
Joseph Lucas (Industries), Ltd.	Joseph Lucas CA (Pvt.), Ltd.	...
J. Lyons and Company, Ltd.	Lyons Brooke Bond Rhodesia (Pvt.), Ltd.	Distributor of tea and coffee
Edward Macbean and Company, Ltd.	Umtali Clothing Industries (Pvt.), Ltd.	Manufacturer of clothing
McKechnie Brothers, Ltd.	Eachairn Investments Rhodesia (Pvt.), Ltd.	...
Manders (Holdings), Ltd.	Mander-Kidd (Rhodesia) (Pvt.), Ltd.	...
Manifold Transport Services, Ltd.	Airport Travel Services (Pvt.), Ltd. Manbeira Investments (Pvt.), Ltd. Manica-Glover, Ltd. Manica Insurance Brokers (Pvt.), Ltd. Salisbury Safaris (Pvt.), Ltd.	Transport Investment ... Insurance Transport
Mardon International, Ltd. (owned jointly by British American Tobacco Company, Ltd., and the Imperial Tobacco Company (of Great Britain and Ireland), Ltd.)	Mardon Printers (Pvt.), Ltd.	Printing

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Marley Tile (Holdings), Ltd.	Marley Tile Company (Pvt.), Ltd. a subsidiary/associate of Marley (Overseas), Ltd.)	Manufacturer of tiles
May and Hassell, Ltd.	John Bishop (Africa) (Pvt.), Ltd. May and Hassell (Southern Rhodesia) (Pvt.), Ltd.	... ...
Plumstead Farms (Pvt.), Ltd.	Plumstead Farms (Pvt.), Ltd.	...
Mercantile Credit Company, Ltd.	National Industrial Credit Corporation (Rhodesia), Ltd. (a subsidiary of National Industrial Credit Corporation, Ltd., South Africa)	Finance
Metal Box Company	Metal Box Company of Central Africa, Ltd.	Manufacturer of metal packing containers
Metal Industries, Ltd.	MI Central Africa (Pvt.), Ltd.	Manufacturer of metal packing containers
Metropolitan-Cammell (Holdings), Ltd.	Zambesi Coachworks, Ltd.	...
Minet Holdings, Ltd.	J. H. Minet and Company (Rhodesia) (Pvt.), Ltd. Rhodesian National Insurance Company, Ltd.	Finance Insurance
Noble Lowndes Holdings, Ltd.	Bowring, Duncan Lowndes, Beddall (Pvt.), Ltd. Noble Lowndes Finance of Rhodesia (Pvt.), Ltd.	... ...
Rhodesian Pension Trustees, Ltd.	Rhodesian Pension Trustees, Ltd.	...
James North and Sons, Ltd.	James North (Rhodesia) (Pvt.), Ltd.	...
Norvic Shoe Company, Ltd.	Norvic Shoe Company (Rhodesia) (Pvt.), Ltd.	...
Oldham and Son, Ltd.	Oldham and Son Rhodesia (Pvt.), Ltd.	...
Samuel Osborn and Company, Ltd.	Samuel Osborn (Rhodesia), Ltd.	...
Ozalid Company, Ltd.	Ozalid Rhodesia (Pvt.), Ltd.	Reprographic industry

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Page-Johnson Builders, Ltd.	Pages Flats (Pvt.), Ltd.	...
Parkinson-Cowan, Ltd.	Parkinson-Cowan (Rhodesia) (Pvt.), Ltd.	...
C. A. Parsons and Company, Ltd.	C. A. Parsons and Company (Rhodesia) (Pvt.), Ltd.	...
Philips Electronic and Associated Industries, Ltd. (controlled by Philips' Gloeilampfabrieken, NV, Holland)	Central African Radio and Electrical (Southern Rhodesia) (Pvt.), Ltd.	Manufacturer of radio and electrical products
Godfrey Phillips, Ltd.	African Tobaccos (Pvt.), Ltd.	Manufacturer of tobacco
Pilkington Brothers, Ltd.	Rhodesian Safety Glass (Pvt.), Ltd.	Manufacturer of glass
Plessey Company, Ltd.	Communication Systems of Rhodesia (Pvt.), Ltd.	...
Price, Forbes (Holdings), Ltd.	Price, Forbes (Africa), Ltd. Price, Forbes (Africa) Life and Pensions, Ltd.	... ...
Prodorite, Ltd.	Prodorite (Rhodesia) (Pvt.), Ltd.	...
Randalls, Ltd.	Randalls (Rhodesia), Ltd.	...
Reckitt and Colman Holdings, Ltd.	Reckitt and Colman (Rhodesia) (Pvt.), Ltd.	...
Redland Holdings, Ltd.	Redland Tiles of Rhodesia, Ltd.	Manufacturer of tiles
Reed Paper Group, Ltd.	Alabastine Africa (Pvt.), Ltd. Smith and Walton (CA) (Pvt.), Ltd. Spicers (Central Africa) (Pvt.), Ltd.	... ... ...
Reema Construction, Ltd.	Reema Construction (Rhodesia) (Pvt.), Ltd.	...
A. Reyrolle and Company, Ltd.	Rootes (CA) (Pvt.), Ltd. Rawson Motors (Pvt.), Ltd. (a subsidiary/associate of Rootes (CA) (Pvt.), Ltd.)	Manufacturer of turbine generators " "

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Rothmans Tobacco (Holdings), Ltd. (a subsidiary of Rupert Tobacco Corporation (Pty.), Ltd., of South Africa)	Rothmans of Pall Mall (Rhodesia), Ltd.	Manufacturer of tobacco
Rover Company, Ltd.	Rover Rhodesia (Pvt.), Ltd.	Manufacturer of vehicles
Sage-CDO, Ltd. (formerly Frederick Sage and Company, Ltd.)	Frederick Sage and Company (Rhodesia), Ltd.	...
Sagit-Trust Company, Ltd.	Sagit Trust of Rhodesia, Ltd.	...
	Salisbury Board of Executors, Ltd.	...
Samuel Properties, Ltd.	Raffingora Estates, Ltd.	...
Schweppes, Ltd.	Schweppes (Central Africa), Ltd. Rhodesia (a subsidiary/associate of Schweppes (Overseas), Ltd.)	Manufacturer/distributor of foods
Scriven Brothers (Holdings), Ltd.	Scriven Brothers (Rhodesia) (Pvt.), Ltd.	...
Seddon Diesel Vehicles, Ltd.	Seddon Diesel Vehicles of Rhodesia (Pvt.), Ltd.	Distributor of diesel vehicles
"Shell" Transport and Trading Company, Ltd. <u>a/</u>		Refiner and distributor of petroleum
Showerings, Vine Products and Whiteways, Ltd.	John Harvey and Sons (Rhodesia) (Pvt.), Ltd.	...

a/ The assets of this company are substantially in the form of investments, direct and indirect, in a large number of companies collectively known as the Royal Dutch/Shell group of companies.

"Shell" Transport has a 40 per cent interest and N. V. Koninklijke Nederlandsche Petroleum Maatschappij (Royal Dutch Petroleum Company) has a 60 per cent interest. The holdings of these two parent companies consist mainly of shares in the Shell Petroleum Company, Ltd. and Bataafse Petroleum Maatschappij NV (now Shell Petroleum, NV) Netherlands.

The two principal holding companies in their turn own shares, directly or indirectly, in a large number of companies, including Shell Chemical Company of Central Africa, Central African Petroleum Refineries (Pvt.), Ltd. and Shell Rhodesia (Pvt.), Ltd.

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Siemssen, Hunter, Ltd.	Associated Tobacco Warehouses (Pvt.), Ltd.	Tobacco storage
	Siemssen, Maunder (Pvt.), Ltd.	
Slumberland Group, Ltd.	Crownflex (Rhodesia) (Pvt.), Ltd.	...
South African Distilleries and Wines, Ltd.	Castle Wine and Brandy Company (Southern Rhodesia) (Pvt.), Ltd.	Distributor of liquors
Spillers, Ltd.	Farina Securities (Pvt.), (Ltd.)	Manufacturer of food products
	Rhodesian Milling Company (Pvt.), Ltd. (an associate company of Farina Securities (Pvt.), Ltd.)	
Square Grip Reinforcement Company (London)	Square Grip Reinforcement Company (Rhodesia) (Pvt.), Ltd.	...
Staplegreen Insurance Holdings, Ltd.	Hogg, Robinson and Capel-Cure (Pvt.), Ltd.	...
	Hogg, Robinson and Capel-Cure (Southern Rhodesia) (Pvt.), Ltd.	...
	Hutchinson and Poole (Pvt.), Ltd.	...
Stenhouse Holdings, Ltd.	Stenhouse Rhodesia (Pvt.), Ltd.	...
Stewarts and Lloyds, Ltd.	Rhodesian Iron and Steel Corporation, Ltd.	Refiner of iron and steel
	Rhodesian Pipe Company (Pvt.), Ltd.	Pipe manufacture
	Stewarts and Lloyds of Rhodesia, Ltd.	...
Stocklake Holdings, Ltd.	British Rhodesian Steel Company, (Pvt.), Ltd.	Investments
Bernard Sunley Investment Trust, Ltd.	Bernard Sunley Investment Trust (Rhodesia) (Pvt.), Ltd.	...
Tanganyika Concessions, Ltd.	Tanganyika Properties (Rhodesia), Ltd.	Manufacturer of timber
Tate and Lyle Company, Ltd.	Chirundu Sugar Estates, Ltd.	Grower of sugar
	Rhodesia Sugar Refineries, Ltd.	Refiner and distributor of sugar
	Sugar Marketing (Pvt.), Ltd. (an associate company of Rhodesia Sugar Refineries, Ltd.)	

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
W. A. Taylor, Ltd.	Overseas Insulations (Rhodesia), Ltd.	...
Taylor Woodrow, Ltd.	Northall Investments (Pvt.), Ltd.	...
Thorn Electrical Industries, Ltd.	Thorn Electrical Industries (Central Africa) (Pvt.), Ltd.	...
Tomo Trading Company, Ltd.	Stramit Central Africa (Pvt.), Ltd.	...
Tozer Kemsley and Millbourne	Bowmaker (CA) (Pvt.), Ltd. Tozer Kemsley and Millbourne (Pvt.), Ltd.	...
Tube Investments, Ltd.	TI (Central Africa) (Pvt.), Ltd.	Manufacturer of steel tubes
Unigate, Ltd.	Hudson and Knight (Rhodesia) (Pvt.), Ltd. Lever Brothers (Pvt.), Ltd.	Manufacturer of food
United Dominions Trust, Ltd.	United Dominions Corporation (Rhodesia), Ltd. Credit for Industry (Rhodesia) (Pvt.), Ltd.	Finance "
United Steel Companies, Ltd.	Unisteel Central Africa (Pvt.), Ltd.	Manufacturer of steel
United Transport Company, Ltd.	Bulwark Transport (CA), Ltd. Express Motorways Africa (Central), Ltd. Kariba Transport, Ltd. Rhodesia Omnibus Company, Ltd. (and its subsidiary, Rhodesia Touring Company, Ltd.) Salisbury United Omnibus Company, Ltd. Swift Transport Services (Pvt.), Ltd. (and its subsidiary, Swift Properties (Salisbury) (Pvt.), Ltd.) Thorntons' Transportation Rhodesia (Pvt.), Ltd. United Bus Services, Ltd. United Touring Company of Rhodesia, Ltd. (and its subsidiary, Wankie Safaris (Pvt.), Ltd.) World Travel Bureau, Ltd.	Transportation

Table 12 (continued)

<u>United Kingdom parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Ward and Goldstone, Ltd.	Ward and Goldstone (Rhodesia) (Pvt.), Ltd.	...
Wellcome Foundation, Ltd. (trading as Burroughs Wellcome and Company; owned by the Wellcome Trust)	Burroughs Wellcome Central Africa (Pvt.), Ltd. (a subsidiary/ associate of Burroughs Wellcome International, Ltd.)	...
	Cooper, McDougall and Robertson (Central Africa) (Pvt.), Ltd. (a subsidiary/associate of Cooper, McDougall and Robertson, Ltd.)	...
Allen West and Company, Ltd.	Allenwest Rhodesian (Pvt.), Ltd.	...
David Whitehead and Sons (Holdings), Ltd.	Rhodesian Spinners, Ltd. David Whitehead and Sons (Rhodesia), Ltd.	Manufacturer of clothing
Wiggins, Teape and Company, Ltd.	Wiggins, Teape (Central Africa) Pvt., Ltd.	...
Williams and Williams (Reliance Holdings), Ltd.	Reliance Metal Windows (Rhodesia) (Pvt.), Ltd.	Manufacturer of building equipment
M. Wiseman and Company, Ltd.	M. Wiseman and Company (Rhodesia) (Pvt.), Ltd.	...
Yorkshire Electric Transformer Company, Ltd.	Yorkshire Transformers (Rhodesia) (Pvt.), Ltd.	Manufacturer of electrical equipment

B. United Kingdom companies owned by United States enterprises

<u>Parent companies</u>		<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
<u>United States</u>	<u>United Kingdom</u>		
Celanese Corporation	British Paints, Ltd.	Titanium Paints, Ltd.	Manufacturer of paints
Chicago Pneumatic Tool Company	Consolidated Pneumatic Tool Company, Ltd.	Consolidated Pneumatic Tool Company of Central Africa (Pvt.), Ltd.	Manufacturer of pneumatic tools
Hoover Company	Hoover, Ltd.	Hoover (Rhodesia) (Pvt.), Ltd.	Manufacturer of household appliances

Table 12 (continued)

<u>Parent companies</u>			
<u>United States</u>	<u>United Kingdom</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Lever Brothers, Inc.	Unilever, Ltd.	Lever Brothers (Pvt.), Ltd.	Manufacturer of food, toiletries and detergents
Union Carbide Corporation	Union Carbide United Kingdom, Ltd.	African Chrome Mines, Ltd.	Mining of chrome
	Bakelite Xylonite, Ltd.	Rhodesian Chrome Mines, Ltd.	" "
	British Acheson Electrodes, Ltd.	Chrome Company, Ltd.	" "
F. W. Woolworth and Company	F. W. Woolworth and Company, Ltd.	F. W. Woolworth and Company (Southern Rhodesia) (Pvt.), Ltd.	Retailers

Table 13

Southern Rhodesian subsidiaries or associate companies of companies
originally registered in the United States of America (1969)

<u>United States parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
<u>Mining</u>		
American Metal Climax Inc. (AMAX) and American Potash and Chemical Corporation	Bikita Minerals (Pvt.), Ltd.	Mining of lithium
Foote Mineral Company	Rhodesian Vanadium Corporation	Chrome and manganese
Ingersoll-Rand, Ltd.	Ingersoll-Rand Company S.A. (Pty.), Ltd.	Distributor of mining machinery
Metallurg, Inc.	Rhodesian Cambrai Mines (Pvt.), Ltd.	Mining of chrome
Union Carbide Corporation	Rhodesian Chrome Mines, Ltd.	Mining of chrome
<u>Others</u>		
Affiliated Exporters, Inc.	Elephant Trading Company	Manufacturer of clothing
American Foreign Insurance Association	American Foreign Insurance Association	Insurance
Baker Perkins, Inc.	Baker Perkins SA (Pty.), Ltd.	Distributor of industrial machinery
Bardahl International Oil Corporation	Bardahl Distributors Rhodesia (Pvt.), Ltd.	Distributor of petroleum products
Bourne and Company, Ltd.	Bourne and Company, Ltd.	Distributor of Singer sewing machines
Burroughs Corporation	Burroughs Machines, Ltd.	Distributor of accounting machines

Table 13 (continued)

<u>United States parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
California Texas Oil Company	Caltex Oil (Rhodesia) (Pvt.),	Distributor of petroleum products
Carborundum Company	Carborundum-Universal SA (Pty.), Ltd.	Manufacturer of coated and bonded abrasives diamond wheel and refractor
China American Tobacco Company	China American Tobacco Company of Rhodesia (Pvt.), Ltd.	Exporter of tobacco
Continental Ore Corporation	Continental Ore Africa (Pvt.), Ltd.	Metal and mineral brokers
Richard Daggitt (resident Salisbury)	Richard Daggitt Agencies	Bulk commodity broker
Dibrell Brothers, Inc.	Dibrell Brothers of Africa (Pvt.), Ltd.	Exporter of tobacco
	Tobacco Export Corporation of Africa (Pvt.), Ltd.	Exporter of tobacco
Dillon Read and Company	Merchant Bank of Central Africa, Ltd.	Banking
Eastman Kodak Company of America	Kodak (Rhodesia), Ltd.	Distributor of photographic equipment
Electric Storage Battery Company of America	Willard Africa (Pty.), Ltd.	Manufacturer of auto batteries
Eimco Corporation	Eimco (CA) (Pvt.), Ltd.	Distributor of mining and industrial machinery
Falls City Tobacco Company	Falls City Tobacco Company of Africa (Pvt.), Ltd.	Exporter of tobacco
Sidney Feldman (resident Bulawayo)	Amrho International	Manufacturer's representative

Table 13 (continued)

<u>United States parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Gardner-Denver Company	Gardner-Denver Company (Africa) (Pty.), Ltd.	Distributor of mining equipment
Goodyear Tire and Rubber Company	Goodyear Tyre and Rubber Company (SA) (Pty.), Ltd.	Manufacturer and distributor of tyres, tubes
Grant Advertising, Inc.	Grant Advertising (Pty.), Ltd.	Advertising consultants
L. R. Hautz (resident Salisbury)	Polythene Piping (Pvt.), Ltd.	Manufacturer of plastic irrigation equipment
	Salisbury Snake Park	Owens snake park
Hewitt-Robins, Inc.	Robins Conveyors (SA) (Pty.), Ltd.	Distributor of material handling equipment
IBM World Trade Corporation	IBM Central Africa (Pvt.), Ltd.	Distributor of business machines
Insurance Company of North America	Insurance Company of North America	Insurance
International Chinchilla Headquarters, Inc.	Chinchilla Headquarters of Rhodesia (Pvt.), Ltd.	Distributor and sales agency for imported chinchilla
International Telephone and Telegraph Corporation	Standard Telephones and Cables (Rhodesia) (Pvt.), Ltd.	Distributor of telecommunications equipment
Jeffrey Company	Jeffrey-Galion (Rhodesia) (Pvt.), Ltd.	Distributor of roadmaking and mining machinery

Table 13 (continued)

<u>United States parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
I. R. Lind (resident Salisbury)	African and Overseas Company (Pvt.), Ltd.	Exporter of tobacco
Rev. R. H. Mann	Rhodesian Christian Press (Pvt.), Ltd.	Printing and stationery
Minnesota Mining and Manufacturing Company	Minnesota Mining and Manufacturing Company (CA) (Pvt.), Ltd.	Manufacturer of double coated tissue tapes, cellulose and masking tapes
National Cash Register Company	National Cash Register Company (CA) (Pvt.), Ltd.	Distributor of business machines
Pfizer International, Ltd.	Pfizer (Pvt.), Ltd.	Chemicals
Socony-Mobil, Inc.	Mobil Oil Rhodesia (Pvt.), Ltd.	Distributor of petroleum products
	Socony Southern Africa (Pty.), Ltd.	Distributor of bitumens, asphalt waxes and solvents
J. Walter Thompson Company	J. Walter Thompson Company Central Africa (Pvt.), Ltd.	Advertising consultants
Twentieth Century Fox, Inc.	African Consolidated Films (Pty.), Ltd.	Motion picture showing and distribution
Union Special Machine Company	Berzack Brothers (Rhodesia), Ltd.	Distributor of industrial sewing machines
Universal Leaf Tobacco Company	Rhodesian Leaf Tobacco Company (1953), Ltd.	Exporter of Tobacco
<u>United States products manufactured under licence in Rhodesia</u>		
Chesebrough-Ponds, Inc.	Chesebrough-Ponds International, Ltd.	Manufacturer and distributor of toiletries
Coca-Cola Company	Salisbury Bottling Company (Pvt.), Ltd.	Bottler and distributor of soft drinks

Table 13 (continued)

<u>United States parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Pepsi-Cola Company	Central African Bottling Company (Pvt.), Ltd.	Bottler and distributor of soft drinks
Scripto, Inc.	Scripto of Rhodesia (Pvt.), Ltd.	Manufacturer and distributor of pens
Sterling Drug, Inc.	Sterling Drug International, Ltd.	Manufacturer and distributor of pharmaceutical products

Source: Future Direction of U.S. Policy toward Southern Rhodesia. Hearings before the Subcommittee on Africa and the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs, House of Representatives, Ninety-third Congress, First Session, 21-22 February and 15 March 1973 (United States Government Printing Office, Washington, 1973).

Table 14Southern Rhodesian subsidiaries of companies originally
registered in South Africa (1970)

<u>South African parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
<u>Mining</u>		
Anglo American Corporation of South Africa, Ltd.	Anglo American (Rhodesia)	Investment and mining
Charter Consolidated, Ltd.	Anglo American Corporation Rhodesia, Ltd.	Investment and mining
Griqualand Exploration and Finance Company, Ltd. (GEFSA)	Griqualand Exploration and Finance Company	Mining
Johannesburg Consolidated Investment Company, Ltd. (JCI) (Johannes)	Shangani Mining Corporation, Ltd.	Nickel mining
Messina (Transvaal) Development Company, Ltd.	MTD Mangula, Ltd.	Mining of copper
South African Manganese, Ltd.	Samangan (Pvt.), Ltd.	Mining of manganese and copper
<u>Others</u>		
Aberdare Cables (Africa), Ltd.	Aberdare (Rhodesia), Ltd.	Manufacturer of cables
Angus Printing and Publishing	Rhodesian Printing and Publishing	Printer and publisher
Back Clothing	Monatic Rhodesia	Manufacturer of clothing
Barlow Rand, Ltd.	Barlow Rand, Ltd. (Rhodesia)	Distributor of building supplies
T. W. Beckett and Company, Ltd.	Five Roses Tea and Coffee (Rhodesia) (Pvt.), Ltd.	Distributor of tea and coffee
Claude Neon Lights, Ltd.	Claude Neon Lights (Rhodesia), Ltd.	Manufacturer and leaser of neon signs
CNA Investments	Kingstons Led Pac, Ltd. Kingstons Properties Central Advertising	Distributor of books and newspapers

<u>South African parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
<u>Others</u>		
Consolidated Glass Works (South Africa), Ltd.	Consolidated Glass Works (Rhodesia), Ltd.	Manufacturer of glass
Consolidated Lighting, Ltd.	Consolidated Lighting (Rhodesia), Ltd.	Manufacturer of lighting equipment
Dermacult, Ltd.	Dermacult Rhodesia	Manufacturer of cosmetics
Dorman Long (Africa)	Rhodesian Engineering and Steel Construction Company	Construction engineers
Durgson Holdings	Bulawayo Clothing Factory	Clothing trade
Edgar Stores, Ltd.	Edgar Stores (Rhodesia)	Retail
Edworks, Ltd.	Edworks (Rhodesia)	Manufacturer of footwear
Field Industries (Africa)	Halmatic Rhodesia-Field Industries (Rhodesia)	Distributor of industrial products
	Field Technical Sales (Rhodesia)	
Greatermans Natal and Free State Holdings	Asscor Properties	Investment
	Checkers Stores Rhodesia	Retail
	Greatermans Investment (Rhodesia)	Investment
	Greatermans Stores (Rhodesia)	Retail
Gypsum Industries, Ltd.	Gypsum Industries (Rhodesia)	Manufacturer of gypsum products
	Allied Rhodesian Manufactures	
Hulett's Corporation	Sir J. L. Hulett and Sons (Rhodesia), Ltd.	Grower of sugar
K and L Timbers, Ltd.	Rhodesian Timber Holdings, Ltd.	Timber merchants
Lion Match Company	Lion Match Company (Rhodesia), Ltd.	Manufacturer of matches
Natal Canvas Rubber Manufacturers, Ltd.	Consolidated Textiles (Rhodesia), Ltd.	Manufacturer of textiles
National Amalgamated Packaging	National Amalgamated Packaging	Manufacturer of containers
Ned Bank	Netherlands Bank of Rhodesia	Banking
OK Bazaar Group, Ltd.	OK Bazaars (Rhodesia)	Retail
Oldham and Son (Africa), Ltd.	Oldham and Son (Rhodesia), Ltd.	Manufacturer of batteries

Table 14 (continued)

<u>South African parent company</u>	<u>Southern Rhodesian subsidiary</u>	<u>Activities</u>
Premier Paper Mills	Rhodesian Pulp and Paper Industries (RHOPULP)	Manufacturer of paper
Press Supplies Holdings	Press Supplies (Rhodesia)	Manufacturer of articles for printing
Pretoria Portland Cement Company, Ltd.	Premier Portland Cement Company (Rhodesia), Ltd.	Manufacturer of cement
Rennies Consolidated Holdings	G. F. Whaley (Rhodesia)	Shipping agency
Samuel Osborn, Ltd. (South Africa)	Samuel Osborn, Ltd. (Rhodesia)	Manufacturer of crush mills
South African Beverages	Rhodesian Beverages	Manufacturer of beer
South African Eagle Insurance	Rhodesian Eagle Insurance	Insurance
South African Iron and Steel Corporation (ISCOR)	Rhodesian Steel Sales Company (Pvt.), Ltd.	Manufacturer of iron and steel
South African Pulp and Paper Industries	South African Pulp and Paper (Rhodesia)	Manufacturer of paper
Syfret and SA Trust Companies	Syfrets Trust and Executor (Rhodesia)	Financial services
Union Steel Corporation of South Africa, Ltd.	Veldmaster (Rhodesia) (Pvt.), Ltd.	Manufacturer of wires
United Tobacco Companies	Carlton Cigarette BAT (Central Africa)	Manufacturer of tobacco
White's South African Portland Cement Company, Ltd.	Slag Holdings (Rhodesia)	Manufacturer of cement
Vereeniging Refractors, Ltd.	Redland Tiles of Rhodesia, Ltd.	Manufacturer of tiles

Source: Johannesburg Stock Exchange, 1970, vols. I and II.

APPENDIX IV

NAMIBIA

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INTRODUCTION

1. The present working paper supplements previous studies on the activities of foreign economic interests in Namibia which have been prepared by the Secretariat for Sub-Committee I in recent years. a/ The paper provides new information on the main sectors of the economy in which foreign economic interests are active, by identifying the companies involved, their nationality and the role which they play in the exploitation of the Territory. It should be noted, however, that the South African Government does not issue separate statistics on Namibia and prohibits the release of official information on mining production and investment in Namibia. As a result, it is not possible to give a comprehensive picture of the activities of all the foreign economic interests operating in the Territory.

2. Previous papers in this series have given information on the ownership of the major enterprises in Namibia and details of their production. The last two reports provided information on the profits derived by foreign companies from their activities in Namibia, and on the amount of taxes paid to the South African Government. For the sake of completeness, the present study summarizes recent activities of the major companies previously mentioned, but a special effort has been made to identify new investments made since the adoption of Security Council resolution 283 (1970) of 29 July 1970. Substantial new investments are listed in table 1 below. The major foreign companies active in the Territory are listed in table 2 below.

3. It will be recalled that in resolution 283 (1970), the Security Council called upon Member States to discourage private companies from investing or obtaining concessions in Namibia. Subsequently, in its resolution 301 (1971) of 20 October 1971, the Security Council declared that concessions granted in Namibia by South Africa since the termination of its mandate in 1966 by General Assembly resolution 2145 (XXI) of 27 October 1966 were not subject to espousal by States against a future lawful Government of Namibia. These resolutions provide the background against which the activities of foreign economic interests in Namibia should be considered.

1. GENERAL ECONOMIC SITUATION

4. Both press and official sources report that 1973 was a particularly good year for the three main sectors of the economy in Namibia, namely, mining, fishing and agriculture, and that the prices of the Territory's main exports (diamonds, copper,

a/ For the most recent, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23A (A/8423/Rev.1/Add.1), annex, appendix I; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix IV; and ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix IV.

lead, zinc, tin, fish and fish products, beef and karakul pelts) remained firm. b/

5. As is well known, the economy of Namibia consists of two sectors virtually independent of each other, namely, the subsistence and the money economy. In accordance with the policy of apartheid which has been enforced by the South African Government since it occupied Namibia in 1915, the African population is virtually confined to the subsistence sector; the economic activities which are described in the following paragraphs are controlled by the white population to whom the profits from these activities accrue. In general, Africans are compelled to live in "homelands" which they may leave only to work as unskilled labourers in the various sectors of the money economy, at wages which are a fraction of those enjoyed by whites, because of the apartheid policies applied on a territory-wide basis by both government agencies and private employers (see A/9623/Add.3, annex, para. 112).

6. In accordance with the government policy of apartheid, Africans residing in "homelands" are, in general, compelled to remain there and are allowed to leave only when in possession of permits to work as migrant labourers in the "white area". Nevertheless, for various reasons, including the continuous need for African labour, other Africans residing in the segregated townships of the white urban areas are allowed to live in those areas on a semi-permanent basis. Thus, despite the officially proclaimed policy of herding all Africans into "homelands", the administration envisages an increase in the urban population of Namibia from its 1973 level of 172,000 to 500,000 by the year 2000. Of this number, it was envisaged that 300,000 would be "non-white".

7. According to a major British newspaper, Namibia can be considered as the "most exploited Territory in history", because at least one third of its gross national product is exported as profits by foreign mining companies. Another source has estimated that by 1972, the rate of investment in Namibia amounted to £25 million c/ per annum, with 60 per cent of this amount invested for quick profits in the mining sector. According to the same source, the mining industry as a whole provides approximately 60 per cent of the Territory's exports, 50 per cent of the gross domestic product and 70 per cent of the Territory's "public revenue" through taxation.

8. No detailed economic development plan for Namibia has been published by the South African authorities since the 1964 report of the Odendaal Commission. d/ In 1971, it was reported that the South African Government was launching a five-year development plan for Namibia with a total expenditure of up to R 90 million, e/ largely for water and power projects, but no details were made available.

9. According to press reports, the Government of South Africa would have to cover from its own budget an expected deficit of R 23 million with respect to

b/ For further information on the economy of Namibia, see United Nations Economic Commission for Africa, "Summaries of Economic Data, Namibia, 1972" (Fifth Year, Number Two), mimeographed.

c/ One pound sterling (£1) equalled \$US 2.41 at 24 April 1974.

d/ Official Records of the General Assembly, Nineteenth Session, Annexes, annex No. 8 (part I) (A/5800/Rev.1), chap. IV, paras. 43-72.

e/ One rand (R 1.00) equalled \$US 1.49 at 24 April 1974.

Namibia for the financial year ending 31 March 1974. However, compared to South Africa's total estimated revenue of R 3,000 million for the same financial year, this deficit is not significant. The Namibia budgetary deficit represents only 34 per cent of the profits of South African companies operating in Namibia, and about 27 per cent of the profits of all foreign companies operating there. f/ In fact, because of the large profits they derive from the Territory, these companies could be expected to be a vigorous lobby in Pretoria and elsewhere in favour of maintaining the status quo.

2. MINING

A. General

10. Unofficial estimates of the value of mineral production in Namibia for the year 1972 are as follows:

	(Million rand)
Diamonds	88
Copper	29
Lead	12
Zinc	7
Tin	2
Other minerals	5

11. Despite the lack of official data, the mining sector in Namibia is reported to have benefited in 1973 from generally high world prices. With diamond prices up as much as 40 per cent for gem stones, the value of Namibia's diamond output would have increased accordingly. Production of copper, lead and zinc was also expected to have recovered from the effect of the strikes in 1971-1972.

12. Since 1973, there have been further efforts to attract new investments to the mining sector and to increase production. In November 1973, the South African Government amended the regulations concerning mining and prospecting concessions in Namibia. Under the amended provisions, foreign companies may now provide as much as 75 per cent of the investment (some exceptions to the earlier 50 per cent rule had in fact been made in the past); and they are not required to take on a local partner until the prospecting stage is reached. According to the South African press, there had long been a "scarcity" of foreign investment in mining in Namibia not only because of the limited participation, but also because mining rights in the Territory are owned by the "Administration of South West Africa",

f/ These percentages are based on 1971 profit figures which are the latest available in most cases. Profit figures for 1973 are believed to be higher; this would have the effect of reducing the two percentages given.

whereas, in the Republic of South Africa, those rights are largely in the hands of private individuals or companies, a situation which makes it easier to negotiate with interested parties.

13. These moves to attract new investments were followed in early 1974 by a campaign to increase mining productivity led by several of the leading mining companies in South Africa. Six of the companies participating in the campaign (the Anglo American Corporation of South Africa, Ltd., the Anglo-Transvaal Consolidated Investment Company, Ltd., the General Mining and Finance Corporation, Ltd., Gold Fields of South Africa, Ltd., the Union Corporation Ltd., and Johannesburg Consolidated Investment Company, Ltd. (JCI)), are also active, either directly or through subsidiaries, in Namibia.

14. The following paragraphs summarize foreign investment in the various branches of mining.

B. Diamonds

15. The most important mining activity in Namibia is the extraction of diamonds. Since 1971, Consolidated Diamond Mines of South West Africa, Ltd. (CDM), a subsidiary of De Beers Consolidated Mines, Ltd. of South Africa (with a major participation of the Anglo American Corporation of South Africa, Ltd.) has become virtually the sole producer of diamonds in the Territory. Although figures for the company's earnings for 1973 have not yet been published, press reports indicate that CDM's profits will be higher than in 1972. There is no information concerning new investments by CDM in Namibia.

C. Base metals

Tsumeb Corporation, Ltd.

16. The second most important mining operation in Namibia, by value, is that of the Tsumeb Corporation which produces copper, lead and zinc at its Tsumeb, Kombat and Matchless mines. The Tsumeb Corporation is largely owned by two United States corporations, American Metal Climax, Inc. (AMAX) and the Newmont Mining Corporation, and the O'okiep Copper Company, Ltd., of South Africa. However, O'okiep is in turn largely owned by the Newmont Mining Corporation. g/ Selection Trust, Ltd., of the United Kingdom of Great Britain and Northern Ireland also owns shares in Tsumeb.

17. Tsumeb's Matchless mine, involving a new investment of R 3.7 million, opened in June 1970 but closed down in January 1972 following a territory-wide strike of migrant workers. In December 1973, Tsumeb was said to be considering whether the mine should be brought back into full production.

g/ Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix IV, paras. 21-31.

Table 1

Namibia: recent investment, planned investment and current prospecting in the mining sector

<u>Year of investment</u>	<u>Company</u>	<u>Amount of investment (million rand)</u>	<u>Description of activities and nationality of company</u>
<u>A. Recent investment and plans for future investment</u>			
1970	Tsumeb Corporation, Ltd.	3.7	Base metals mine owned largely by United States interests; some United Kingdom and South African participation
1973	Tsumeb Corporation/South West Africa Company, Ltd. (SWACO) consortium	0.6	SWACO has its head office in the United Kingdom. The consortium plans to open a copper mine
1971	Oamites Mining Company (Pty.), Ltd.	4.8	Copper mine owned largely by Canadian interests, with South African participation
1973-1975	Otjihase Mining Company (Pty.), Ltd.	23.0	Copper-zinc mine to be set up by United States and South African interests
	Unknown company		New smelting plant to be set up; name of operator not yet known
1971-1976	Rössing Uranium, Ltd.	150.0-200.0	New uranium mine being set up; United Kingdom and South African ownership
...	South African Government	550.0	South African Government uranium enrichment plant to be located in South Africa, designed to use uranium from Namibia

Table 1 (continued)

<u>Year of investment</u>	<u>Company</u>	<u>Amount of investment (million rand)</u>	<u>Description of activities and nationality of company</u>
...	South African Government	...	South African Government nuclear power station to be located in South Africa, using enriched uranium derived from Namibian uranium ore
...	Bantu Investment Corporation	1.0 (estimated)	Fresh water fishing project. The Corporation is owned by the South African Government
1973 and onwards	South African Government	112.0	South African Government's participation in Cunene River Basin hydroelectric scheme
1974	South West African Water and Electricity Corporation (SWAWEK)	10.7	Power stations and distribution system. SWAWEK is owned by the South African Government
1973 and onwards	Department of Water Affairs	10.0	Central Namib Water Scheme. Water Affairs is a Department of the South African Government
<u>B. Recent investment; plans for future investment unknown</u>			
1973	Total - Compagnie minière et nucléaire et (CMN)	...	Compagnie française des pétroles of France purchased 10 per cent of Rössing Uranium, Ltd.
1973	FLUSWA	...	New Fluorspar mine opened; ownership unknown
1971	Resens Minerals Company	...	Two new fluorspar mines opened; ownership unknown

Table 1 (continued)

<u>Year of investment</u>	<u>Company</u>	<u>Amount of investment (million rand)</u>	<u>Description of activities and nationality of company</u>
<u>C. Prospecting activities involving investments</u>			
1971	Klein Aub Copper Company	...	Prospecting for copper; South African ownership
1970	Sarusas Development Corporation	...	Prospecting for diamonds, copper and other minerals; South African ownership
1973	Messina (Transvaal) Development Company, Ltd.	...	Discovered large copper and zinc deposit; South African ownership
1973	Geological Survey Division	...	Study of a coal field in Ovambooland, completed by a South African government department
1973	Mr. B. J. H. du Preez	...	Discovered off-shore anthracite field. Mr. du Preez is a South African businessman who is also prospecting for petroleum in Namibia
1966-1973	Southern Oil Exploration Corporation (South West Africa) (Pty.) (SWAKOR)	20.0	Prospecting for petroleum in Namibia. SWAKOR is owned by the South African Government
1973	Société nationale des pétroles d'Aquitaine (known as Aquitaine)	...	Prospecting for petroleum; French ownership
1973	De Beers Consolidated Mines, Ltd.	...	Prospecting for petroleum. South African ownership
1973	Chevron Oil Company	...	Prospecting for petroleum; United States ownership

Table 1 (continued)

<u>Year of investment</u>	<u>Company</u>	<u>Amount of investment (million rand)</u>	<u>Description of activities and nationality of company</u>
1973	Regent Petroleum Company	...	Prospecting for petroleum; United States ownership
1973	Etosha Petroleum (Pty.) Ltd.	...	Holding petroleum concession area; Canadian ownership
1973	Getty Oil Company	...	Prospecting for petroleum; United States ownership
1973	Continental Oil Company	...	Prospecting for petroleum; United States ownership
1973	Phillips Petroleum Company	...	Prospecting for petroleum; United States ownership
1973	Aracca Exploration, Ltd.	...	Prospecting for petroleum; United States ownership
1973	Milford Argosy Company	...	Signed lease for petroleum concession area; United States ownership
1973	Texas Gulf Corporation	...	Commenced drilling for petroleum; United States ownership

18. In 1972, the Tsumeb Corporation began an entirely new activity, the importation of lead concentrates from Alaska for refining and re-export. In May 1973, it was reported that a further shipment of concentrates was expected to arrive shortly.

19. In 1973, Tsumeb entered into a 75/25 per cent partnership with SWACO involving an investment of R 600,000 to exploit a copper deposit at Asis Ost. The ore reserves were estimated to be 540,000 tons of 1.8 per cent copper. Production was expected to commence some time in 1974.

SWACO

20. SWACO is registered in the United Kingdom and is owned by Charter Consolidated, Ltd., and Consolidated Gold Fields, Ltd., of the United Kingdom and by the Anglo American Corporation and Vogelstruisbult Gold Mining Areas, Ltd. of South Africa. h/ Before the strike of Namibian migrant workers in December 1971, basic wages for African workers at SWACO were reported to be £10 per month for Africans and £160 per month for whites. After the strike, it was reported that SWACO had raised the basic African wage to £11 per month.

21. In April 1973, SWACO ceased production at one of its two principal locations, the Brandberg West tin/wolfram mine, where production had been approximately 600 tons per annum. The company stated that it had suspended operations "pending an improvement in metal prices".

22. Despite protests against the company's involvement in Namibia, expressed at its annual general meeting in London in November 1972, as well as on previous occasions, SWACO has pressed ahead with new investment in Namibia, in partnership with the Tsumeb Corporation (see para. 19 above).

Kiln Products, Ltd.

23. Kiln Products, which operates a zinc mine and treatment plant at Berg Aukas, is owned by the Anglo American Corporation and Vogelstruisbult Metal Holdings, Ltd., of South Africa. Forty-two per cent of the latter is held by Gold Fields of South Africa, Ltd., which, in turn, is a subsidiary of Consolidated Gold Fields, Ltd., of the United Kingdom. The plant, which reportedly involved an investment of "several million rand", started operations in 1969. An initial dividend of 5 cents (South African) per share was paid in 1971, and an interim dividend of 5 cents per share was paid in 1972. There was no final dividend for that year, however, which was reportedly marked by technical problems affecting the production of zinc oxide.

Klein Aub Copper Company (Klein Aub Kopper Maatskappij Bpk.)

24. This company operates a mine south-west of Rehoboth, and is largely owned by the Federale Volksbeleggings Bpk./Federale Mynbou Bpk./General Mining and

h/ Ibid., paras. 32-37; and ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix IV, paras. 21-27.

Finance Corporation group of South Africa. i/ No details are available concerning the 1973 profits or investments of Klein Aub in Namibia. It was reported, however, that among the "smaller investments" of the group mentioned above, Klein Aub was "the most profitable".

25. Although Klein Aub does not appear to have made new investments on its own, it formed a consortium known as FEDSWA Prospekteerders (Edms.) Bpk. which has been searching for copper near Witvlei in the Windhoek area. The capital investment in the new consortium is not known. Drilling has been carried out at a farm known as Okasewa, where proven ore reserves were reported to be 4 million tons. The total area of the FEDSWA concession was variously estimated to be from 22,015 to 101,010 square kilometres. j/

Khan Mine (Pty.), Ltd.

26. The Khan Mine is owned by the Ohlthaver and List Finance and Trading Corporation, Ltd., which is in turn largely owned by the Ohlthaver group of the Federal Republic of Germany. It was recently reported that the mine had suffered a loss of R 22,000 in 1972, but expected to show a profit of R 55,000 for the first six months of 1973. No other information is available concerning this mine.

Oamites Mining Company (Pty.), Ltd.

27. Oamites, in which R 4.8 million has been invested, is owned by the government-controlled Industrial Development Corporation (IDC) of South Africa (25 per cent) and by Falconbridge Nickel Mines, Ltd., of Canada (75 per cent). k/ Falconbridge Nickel Mines participates in Oamites through two subsidiary companies, Falconbridge Explorations, Ltd. (incorporated in Bermuda in 1967 to handle exploration in Africa) and Falconbridge of South West Africa. The Oamites copper mine, located some 48.3 kilometres south of Windhoek, started operations in 1971. l/ Early in 1974 it was reported that Oamites was continuing to search for copper in areas neighbouring the mine.

South West Africa Lithium Company

28. Recent information has revealed the existence of the South West Africa Lithium Company, which operates a lithium mine east of Trekkopje, in the Swakopmund area.

i/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix IV, para. 41.

j/ Ibid., para. 59.

k/ Ibid., para. 51.

l/ Ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix IV, para. 34.

Sarusas Development Corporation

29. In 1970, a consortium consisting of the Sarusas Development Corporation, the General Mining and Finance Corporation and JCI, (known as the General Mining/JCI/Sarusas consortium) leased 30,000 square kilometres from the Bantu Mining Corporation in the Kaokoveld "homeland", to search for diamonds, copper and other minerals. The consortium appeared to have become dormant, but in early 1974 the Sarusas Development Corporation was reported to be suing an apparently unrelated company known as Sarusas Minerals (Pty.) Ltd., alleging that Sarusas Minerals and another company, Westies Minerals, were unlawfully occupying part of the concession area.

Otjihase Mining Company (Pty.), Ltd.

30. As previously reported, m/ a major copper-zinc deposit, discovered in 1972 at Otjihase, 27 kilometres north-east of Windhoek, is to be exploited by United States and South African interests.

31. Two further ore deposits are reported to have been discovered four miles away at Onjeama and Ongombo. The deposit at Onjeama is believed to contain 20 million tons of ore. The deposit at Ongombo is said to be about 1 1/2 miles in length. Mining costs are expected to be low. These press reports have not been confirmed by the company.

32. In July 1973, it was announced that a decision had been taken to bring the Otjihase mine into production. Copper ore reserves are estimated to be 16 million tons at an average grade of 2 per cent copper, with zinc, silver and gold as recoverable by-products. Underground mining was planned to lead to the milling of 100,000 tons of ore per month, and an estimated capital expenditure of R 23 million was required in order to bring the mine into production in the latter half of 1975.

33. Because of the narrowness of the Otjihase deposit (from 3 to 15 feet), it was expected that mechanical recovery would not be extensively used, and that labour problems might arise. A new road, to be built at a cost of about R 1 million, will link the mine to a railhead 16 kilometres away. The deposit is said to form part of a 402.3 kilometre amphibolite belt stretching south-west from Windhoek. JCI is reported to possess the mineral rights over most of this area, with the exception of the municipality of Windhoek and a small area comprising the Matchless mine of the Tsumeb Corporation. Initially, smelting is to be done outside Namibia, but consideration is being given to the construction of a smelter at Walvis Bay.

34. The capital cost of the Otjihase mine was expected to be recovered within only two years, and it was anticipated that annual profits before taxes in the first two years would be around R 12.5 million.

m/ Ibid., para. 38.

35. Otjihase is owned by JCI (52.5 per cent) and by Minerts Development (Pty.) Ltd. (47.5 per cent). The latter company is owned by the Continental Ore Corporation of the United States of America (50 per cent) and by Fedmar, Ltd., (50 per cent), which in turn is largely owned by two South African companies, Federale Volksbeleggings Bpk. and Federale Beleggings Korporasie. JCI is to manage the Otjihase mine, and Fedmar is to be the selling agent using, for this purpose, its connexions with the Continental Ore Corporation.

36. According to this scheme of ownership, the Continental Ore Corporation owns 23.8 per cent of Otjihase, with South African interests owning the balance. Otjihase is expected to become the third largest mining operation in Namibia, after CDM and the Tsumeb Corporation.

Messina (Transvaal) Development Company, Ltd.

37. In the latter part of 1973, the Messina (Transvaal) Development Company was reported to have discovered a rich copper and zinc deposit on a farm called "Joumbira 131" some 30 kilometres south of Otjiwarongo in the north of Namibia. The company, which is based in South Africa and also has interests in Southern Rhodesia, has not announced whether it would mine the deposit, but press comment indicates that this is expected.

New smelter for Walvis Bay

38. In mid-1973, a group of large mining interests were reported to be discussing the establishment of a smelter and refinery at Walvis Bay in the near future. The refinery would not only handle raw minerals from Namibia and the northern Cape area of South Africa, but also from overseas, particularly from the United States, where pollution is considered to be a major problem.

39. As noted in paragraph 18 above, the Tsumeb Corporation has been importing lead ore from Alaska for refining and re-export.

D. Uranium

40. The development of a new uranium mine at Rössing near Swakopmund by Rössing Uranium, Ltd., has been described in earlier reports. n/ Rössing Uranium is owned principally by the Rio Tinto Zinc Corporation, Ltd. (RTZ) of the United Kingdom, IDC of South Africa, the General Mining and Finance Corporation of South Africa, and what appears to be a related company, Nywerheids Ontwekkelings Korporasie.

n/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix IV, paras. 77-79; and ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix IV, para. 43

Fifty per cent of Rössing Uranium is owned by RTZ. A newcomer to the group of owners is reported to be the Total-Compagnie minière et nucléaire (CMN) of France, a subsidiary of the Compagnie française des pétroles, with a 10 per cent interest in Rössing Uranium.

41. In June 1973, Mr. Piet Koornhof, the South African Minister of Mines, stated that the Government had decided to undertake the preparatory work for building a full-scale uranium enrichment plant, using a new South African process, details of which have not been disclosed. If constructed, the full-scale plant would cost some R 550 million and would require 2,000 MW, or about 23 per cent of the current output of South Africa's Electricity Supply Commission (ESCOM). It would produce about 2,400 tons of enriched uranium per annum.

42. At about the same time, The Financial Times reported that South Africa had approached Japan with a view to co-operating on a major uranium project. Officials of both the Japanese Government and the nuclear power industry in Japan have denied ever having received such a proposal.

43. Some weeks later, reports appeared in the press to the effect that "well-informed" scientific sources in the Federal Republic of Germany had indicated that the Steinkohlen Elektrizitäts AG (STEAG) was negotiating with South Africa to establish a commission to test the economic feasibility of the new, still secret, South African enrichment process. STEAG, a subsidiary of the Ruhr-Kohle mining group, declined to give any information to the press on the state of the negotiations.

44. In connexion with the uranium enrichment project, it was reported that South Africa had reserves of about 300,000 tons of uranium. This was said to be comparable to the reserves of the United States, and to represent one fourth of the world's known reserves. It was believed that enriched uranium from the South African plant would be the cheapest in the world, and that it would be sold without the restrictions usually imposed by the United States on the use of uranium re-sold by a buyer to third parties.

45. Shortly afterwards, the United States Atomic Energy Commission (AEC) announced a plan to relax and eventually remove restrictions on imports of foreign uranium, commencing in 1977 when imports of 10 per cent of the United States requirements would be permitted. The AEC envisaged that by 1983, 80 per cent of United States requirements would be imported. The restrictions had originally been imposed to protect the United States uranium mining industry.

46. Commenting on South Africa's uranium situation, Mr. Craig Hosmer, a United States congressman and the senior Republican member of the Joint Congressional Committee on Atomic Energy, stated that South Africa was one of six potentially important competitors of the United States for a share of the international market for enriched uranium. South Africa, he said, "absolutely refuses to be dependent on the outside sources for its uranium enriching needs. Therefore it will spend any amount necessary for its own enrichment facility."

47. In February 1974, Mr. R. L. Straszacker, the Chairman of ESCOM, announced that South Africa's first nuclear power station, to be known as Koeberg, would be constructed at Dufnefontein in the western Cape area and would be completed by 1982. The station's first set of generators would have a capacity ranging from 800 and 1,000 MW.

48. Although South African public figures have been stressing the benefits of a nuclear programme for South Africa and Africa as a whole, a number of newspapers, including The Times of London and The Economist, as well as a speaker in the United Kingdom House of Lords, have expressed the view that the uranium enrichment plant would give South Africa a military nuclear capacity.

49. Furthermore, the South African nuclear programme has led to concern in East Africa that South Africa might already be manufacturing atomic bombs. Particular reference was made to the danger of nuclear fall-out from bomb testing and of nuclear proliferation. It will be recalled that South Africa has not signed the Treaty on the Non-Proliferation of Nuclear Weapons which came into effect in 1970.

E. Coal and other minerals

Coal-field in Ovamboland

50. The Secretary of Mines of "South West Africa" stated in June 1973 that structural, stratigraphic and value studies had been completed on a coal-field in Ovamboland. This work was said to be part of an inventory of all actual and potential coal-fields being compiled by the Geological Survey Division of the South African Government.

Off-shore coal-field

51. Mr. F. W. Quass, the Managing Director of the Southern Oil Exploration Corporation (Pty.), Ltd. (SOEKOR), owned by the South African Government, announced in November 1973 that anthracite had been found in Namibia at a depth of 670.6 metres. He placed the value of the deposit at R 50 million and said that if economically exploitable reserves could be proved, the find would equal in importance the discovery of a large oil or gas field. The discovery was made in an off-shore area leased by Mr. B. J. H. du Preez (see para. 60 below), and the drilling was carried out on the recommendation of a French firm of consultants known as BEICIP.

FLUSWA mine

52. A new fluorspar mine belonging to the FLUSWA Company was officially opened on 20 August 1973 by the South African Minister of Mines, in the presence of Japanese businessmen from the Mitsubishi Corporation and the Nissho Iwai Company, Ltd.. Both companies are expected to be major purchasers of the output of the mine, which is expected to have a life of 10 years. The source of the capital investment in FLUSWA is not known.

Resena Minerals Company

53. According to recent information, the Resena Minerals Company brought two fluorspar mines into production in 1971, one at Hussab and one at Ariamsvlei, in the southern part of Namibia. No information is available regarding the ownership of the company. In its chemical grade, fluorspar is used to produce hydrofluoric acid which is used in the plastics industry and in the manufacture of propellants for aerosol sprays. The ordinary grade of fluorspar is used as a flux in the steel and aluminium industries.

Tantalite Valley Minerals

54. According to other recent information, Tantalite Valley Minerals operates a tantalite mine in an area south of the Warmbad "reservation". The ownership of the company is not known.

Gemstone Miners, Ltd.

55. The existence of an amethyst mine near Grootfontein, operated by a company known as Gemstone Miners, Ltd., was reported for the first time in 1973. Details of its ownership are not available.

F. Petroleum

56. For some years the South African Government, through SOEKOR and its subsidiary SWAKOR, has been encouraging foreign oil companies to search for oil in Namibia and off its coast. By the end of 1973, however, no concrete results had been obtained.

57. In late 1973, the Arab oil producing countries imposed an oil embargo on South Africa, Portugal and Southern Rhodesia. However, South Africa was able to continue to buy from other countries, notably Iran.

58. Press comment within South Africa during this period pointed out that of the R 80 million allocated for oil prospecting over the preceding eight years, only R 40 million had been contributed by the South African Government. This was considered by the press to be a relatively small amount which should be substantially increased at a later stage. At the same time the Government was urged to purchase its own oil-drilling rig for off-shore use.

59. Early in 1974, Mr. F. W. Quass of SOEKOR called for an intensification of the search for oil on the continental shelf off South Africa and Namibia. In order to give further impetus to the companies involved in the search for oil, he proposed that all profits accruing from the production of crude oil and natural gas should be completely exempted from any form of taxation. At the same time, Mr. Quass recommended that South Africa, in the light of her increasing need for oil, should "set up a second SASOL". The existing SASOL is a plant manufacturing gasoline from coal, operated by the South African Coal, Oil and Gas Corporation, Ltd.

60. At the beginning of 1973, the following international companies and groups were believed to be holding concession areas in Namibia and along its coast:

(a) A consortium consisting of Aquitaine of France and De Beers of South Africa. In addition, Aquitaine was reported to be holding an exclusive concession in Namibia;

(b) Chevron Oil, a subsidiary of the Standard Oil Company of California, believed to be operating in partnership with Regent Petroleum of the United States;

(c) Etosha Petroleum (Pty.), Ltd., a subsidiary of Brillund Mines, Ltd., of Canada;

(d) An organization formed by a South African businessman, Mr. B. J. H. du Preez, who at one time held an oil concession in Namibia in partnership with the Greek industrialist and shipowner, Mr. Aristotle Onassis;

(e) A consortium consisting of four United States companies: Getty Oil Company, Continental Oil Company, Phillips Petroleum Company and Aracca Exploration.

There is little information on the activities of these companies, but it is believed that none has actually struck oil.

Milford Argosy group

61. Towards the end of 1973, it was announced that the Milford Argosy group of Oklahoma, United States, had leased concession areas off the coasts of South Africa and Namibia from SOEKOR and SWAKOR. The company appears to have taken one concession in South African waters, and another off-shore concession in an area lying astride the border between South Africa and Namibia.

Texas Gulf Corporation

62. In the course of 1973, the Texas Gulf Corporation of the United States began drilling in Namibia, working through a subsidiary based at Upington, South Africa.

New off-shore drilling

63. In mid-1973, a spokesman for SOEKOR stated that the giant SEDCO 135 off-shore oil drilling rig which was then operating off the coast of South Africa was to be towed to a point off the coast of Namibia, early in 1974. The oil company involved in this action was not named.

3. FISHING

64. Investment required for profitable operation in the fishing industry is obviously much less than that required for mining. The initial investments in the fishing industry were made by whites and, as in mining, the profits from the investment accrue to whites. Africans are involved in the fishing industry only

as migrant workers employed on contract as unskilled workers in the fish-processing factories. The only exception is a small group of Coloured sailors who are allowed to work on the fishing boats.

65. After several years of difficulties caused by a shortage of fish, which led the South African Government to limit the total permitted catch of certain types of fish, 1972 and 1973 were considered profitable years. The total quantity of fish landed in 1973 was 705,937 metric tons, an increase of 191,385 metric tons over 1972. From this catch, the following was produced: 339,791 tons of fishmeal which brought in R 14 million gross; 71,500 tons of fish oil; and approximately 8 million cartons of canned fish. Production in 1973 of both canned fish and fish oil rose 25 per cent over the previous year. The fish-processing factories processed approximately 90 per cent of their pilchard quotas and 80 per cent of their anchovy quotas. Towards the end of 1973, it was announced that funds amounting to R 3 million were being invested in the fishing industry.

66. At the end of 1973, the following companies were in the fish-processing business in Namibia and were entitled to a share in the government-established quota:

- (a) Konsortium Visserye;
- (b) West Coast Fishing Industries, owned by South West Africa Fishing Industries, Ltd. (SWAFIL);
- (c) Namib Fisheries, Ltd., owned by Marine Products, Ltd.;
- (d) Tuna Corporation of Africa, Ltd., owned by Marine Products;
- (e) Oceana Fishing Company, Ltd., owned by Sea Products (SWA), Ltd.;
- (f) Suid Kunene Visserye, Bpk., controlled by Federale Volksbeleggings and Bonus Beleggings Korporasie, Bpk. (BONUSKOR);
- (g) Angra Pequeña Fishing Corporation, Ltd.;
- (h) New Western Fishing Industries, Ltd., owned by Kaap-Kunene Beleggings, Bpk.;
- (i) Ovenstone Investments, Ltd.;
- (j) Kuiseb Visprodukte, Bpk., an associate corporation of Irvin and Johnson of South Africa.

67. In 1972 and 1973, a certain number of mergers took place apparently in an attempt to nationalize the industry. However, the mergers affected the holding companies rather than the actual processing companies listed above.

68. Of the 10 companies named above, the following, either directly or through their parent company, are listed on the Johannesburg Stock Exchange:

Namib Fisheries, Ltd.

Tuna Corporation of Africa, Ltd.

Oceana Fishing Company, Ltd.

Suid Kunene Visserye, Bpk.

Angra Pequena Fishing Corporation, Ltd.

New Western Fishing Industries, Ltd.

Ovenstone Investments, Ltd.

As far as is known, all of the investments in the above-mentioned fishing companies are either of South African origin or have been raised from among the white population of Namibia.

69. The fishing quota for 1974, which was to be distributed among the same 10 companies listed in paragraph 66 above, was set at the same figure as for 1973, namely 903,013 metric tons, of which 50 per cent maximum was to be pilchards and the rest other species of fish.

70. Mr. Stan Green, the Managing Director of Irvin and Johnson, which controls Kuiseb Visprodukte, called on the South African Government in July 1973 to prevent the depletion of the country's fishing reserves by extending South African territorial waters from 12 to 200 miles.

71. Early in 1974, the Bantu Investment Corporation announced that it was launching a fresh water fish project in the Kavango "homeland" in Namibia. Under the project, large earth dams would be built and operated under the control of the corporation. Africans would be given permits to net fish and sell to factories which would smoke and can the produce. The cost of the project was estimated to be R 1 million.

4. AGRICULTURE AND LIVESTOCK

72. As in the case of mining and fishing, agriculture and stock raising in Namibia are totally controlled by whites, with Africans employed as shepherds and farm labourers. The principal investment involved is the purchase of the land which, in the case of whites, has been facilitated by the following factors: (a) through the apartheid system, the best farming land is reserved for white ownership; Africans are confined to the relatively unproductive areas; and (b) generous loans for land purchase and farm equipment have always been available at modest interest rates from the Land Bank of "South West Africa".

73. The principal farming activities are cattle raising for the export of beef, mainly to South Africa, and the production of karakul sheep fur, usually better known as astrakhan or Persian lamb, for export to Western Europe and the United States. Persian lamb from Namibia is commonly sold abroad under the trade name

"Swakara". In the 12 months ending September 1973, karakul production totalled about 3.4 million pelts, which brought in approximately R 34 million in export sales.

74. No information is available regarding new investments in agriculture.

5. WATER PROJECTS

Cunene River Basin scheme

75. Full details of the Cunene River Basin hydroelectric scheme, in which South Africa and Portugal are participating, are contained in appendix I above. It was reported in August 1973 that construction work at Ruacana Falls on the border between Namibia and Angola had begun and that the total cost to the South African Government would be an estimated R 112 million. African troops armed with machine guns were reported to be guarding the site. The Ruacana Falls station is expected to deliver 300,000 kW of electric power (about 3 1/2 times the output of the thermal Van Eck power station in Windhoek) and will more than cover the electric power needs of Namibia for the rest of the twentieth century. High tension lines are to carry the current to the principal urban areas.

76. Early in 1974, Mr. N. Diederichs, the South African Minister of Finance, announced that a loan of R 10.7 million was being made to SWAWEK for the development of the Van Eck power station, the electric power distribution system and the Ruacana Falls hydroelectric station. Formerly, the South African Government had provided IDC, the owner of SWAWEK, with R 65 million for water projects in Namibia; it had been decided to undertake further developments by means of direct loans to SWAWEK.

Central Namib Water scheme

77. At about the same time, it was reported that another scheme had been initiated by the Department of Water Affairs to integrate the municipal water supply systems of Walvis Bay and Swakopmund, and the industrial water supply system for the new foreign-owned uranium mine at Rössing. Work has been started on the project which is expected to cost an estimated R 10 million.

6. ADVERSE REACTION TO THE ACTIVITIES OF FOREIGN
ECONOMIC INTERESTS IN NAMIBIA

South West Africa People's Organization (SWAPO)

78. A delegation from SWAPO visited the Federal Republic of Germany in September 1973 and recommended to the Government that economic links with South Africa and Namibia be severed. The delegation singled out the following companies, which it considered to be active in Namibia:

(a) Ohlthaver group (see para. 26 above);

(b) Tiefbohr, AG, which has been engaged in drilling for oil on behalf of Etosha Petroleum (see para. 60 above);

(c) Commerzbank, AG;

(d) Deutsche Bank;

(e) Dresdner Bank, AG;

(f) STEAG, which at one time possessed an interest in Rössing Uranium and is now believed to be interested in taking part in the "new" South African uranium enrichment process (see para. 43 above).

79. Another SWAPO delegation later visited Canada for discussions with executives of Falconbridge Nickel Mines, principal owners of the Oamites Mining Company in Namibia (see para. 27 above) regarding: (a) the exploitation of Namibia's mineral resources by foreign companies; and (b) wages and conditions of work of black mine workers.

80. Inside Namibia, SWAPO issued the following statement: "An appeal is being directed to certain Windhoek firms to stop dismissing SWAPO employees; failure to do so will result in definite action against these firms." The statement went on to say that some people who had worked loyally for certain Windhoek firms, some for more than five years, were being summarily dismissed for being SWAPO members. This was contrary to the promises made by Mr. B. J. Vorster, the South African Prime Minister, to Mr. Alfred Martin Escher, the Special Representative of the Secretary-General of the United Nations.

United States Government

81. The United States Department of Justice launched an inquiry, reportedly by a federal grand jury, to determine whether De Beers Consolidated Mines (see para. 15 above) was violating a consent decree which it had signed in 1945 when it was accused by the Department of Justice of trying to monopolize the world diamond market. By signing the decree, De Beers agreed not to do any further business in the United States.

82. In the course of the investigation, the United States Department of Justice issued subpoenas to a number of important United States diamond buyers demanding

information on their business links with De Beers. Among those receiving subpoenas were: Engelhard Minerals and Chemicals Corporation of New Jersey, which makes diamond abrasive wheels at its Chicago subsidiary, Super-Cut, and N. W. Ayers and Son Inc., an advertising agency in Philadelphia, which handles the De Beers advertising account. Engelhard is linked to De Beers through the Anglo American Corporation, which owns 30 per cent of Engelhard and indirectly controls De Beers. N. W. Ayers reportedly promotes the sale of diamonds in the United States, but not under the De Beers name. It is known, however, that at least one advertising agency promotes the De Beers name in the United States.

83. In April 1973, Mr. David Newsom, the Assistant Secretary of State for African Affairs, stated before the Subcommittee on Africa of the Committee on Foreign Affairs of the United States House of Representatives that, since May 1970, the Government had followed a policy of discouraging further investment in Namibia and had advised potential investors that the Government would not intercede to protect their investment against claims of a future legitimate Government in Namibia. "In this connexion," said Mr. Newsom, "I am aware of the Subcommittee's concern that we might not have reached all potential investors to advise them of our policy. I believe we have. We are checking the files to confirm this."

Church projects in the United States

84. Early in 1974, the Church Project on United States Investments in Southern Africa filed stockholders resolutions with four United States oil companies calling upon the companies to cease operations in Namibia using "purported concessions obtained from the Government of South Africa".

85. The Getty Oil Company was challenged by the American Baptist Home Missions Societies, which holds 4,800 of the company's shares, valued at some \$US 667,200; Phillips Petroleum was questioned by the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States, which holds 15,600 shares worth \$US 1 million. A resolution was also filed with Standard Oil of California by the World Division of the Board of Global Ministries of the United Methodist Church.

Church of England

86. In July 1973, the General Synod of the Church of England decided to postpone until the autumn its examination of the Church's holding in Consolidated Gold Fields, Ltd., and other companies active in southern Africa (see paras. 20 and 23 above).

AMAX

87. In 1973, 11 descendants of the late Mr. Max Schott, the founder of AMAX, filed a suit in court against the company stating that its subsidiary, the Tsumeb Corporation (see paras. 16-19 above), was illegally paying taxes to the Government of South Africa, and that these taxes should be paid to the United Nations. The suit also stated that Tsumeb was participating in "illegal contract-labour hiring systems and following policies of racial discrimination".

Table 2^{a/}

Namibia: Foreign companies operating in Namibia
by nationality and activity

A. Subsidiaries or associates of companies registered
in the United States of America

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
American Metal Climax, Inc. (AMAX)	Tsumeb Corporation, Ltd.	Mining copper, lead and zinc
Aracca Exploration, Ltd.	A consortium of these four	Prospecting for
Continental Oil Company	companies	petroleum
Getty Oil Company	" "	
Phillips Petroleum Company	" "	
Continental Ore Corporation	Otjihase Mining Company. (Pty.), Ltd.	Operating new copper mine
Getty Oil Company	Tidal Diamonds (SWA) Pty. Ltd.	Prospecting for diamonds
Hanna Mining Company	Hanna Mining Company	Mineral exploration
Marcona Company	Marcona Company	" "
Milford Argosy Company	Milford Argosy Company	Prospecting for petroleum
Navarro Exploration Corporation	Mine at Onganja	Mining copper
Newmont Mining Corporation	O'okiep Copper Company, Ltd.	Prospecting for uranium
	Tsumeb Corporation, Ltd.	Mining copper, lead and zinc
Nord Resources Corporation	Nord Mining and Exploration (Pty.), Ltd.	Prospecting for wolfram
Standard Oil Company of California (operating through Chevron Oil)	Chevron/Regent consortium	Prospecting for petroleum
Regent Petroleum	" "	"

a/ The lists in this table cover only the principal foreign companies which possess physical plants or have made other significant investment in Namibia. This table has been compiled from published sources: e.g., The South African Financial Gazette; Walter R. Skinner's Mining Yearbook; Who Owns Whom, Continental Edition, A Directory of Parent, Associate and Subsidiary Companies in Industries and Commerce; The Financial Times; Le Monde.

Table 2 (continued)

B. Subsidiaries or associates of companies registered in the United Kingdom

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Consolidated Gold Fields, Ltd.	Gold Fields of South Africa, Ltd.	Prospecting for uranium
	Kiln Products, Ltd.	Produces zinc oxide from concentrates
Rio Tinto Zinc Corporation, Ltd. (RTZ)	Rössing Uranium, Ltd.	Opening uranium mine
Selection Trust, Ltd.	Tsumeb Corporation, Ltd.	Mining copper, lead and zinc
South West Africa Company, Ltd. (SWACO) <u>b/</u>	SWACO	Mining lead and vanadium

C. Subsidiaries or associates of companies registered in France

Le Nickel Société anonyme	South Africa Vendôme (Pty.), Ltd.	Prospecting for copper
Société minière et métallurgique de Peñarroya SA	" "	"
Société nationale des pétroles d'Aquitaine	Consortium with De Beers Consolidated Mines, Ltd.	Prospecting for petroleum
Total-Compagnie minière et nucléaire (CMN)	Rössing Uranium, Ltd.	Preparing to open uranium mine

b/ Consolidated Gold Fields, Ltd., of the United Kingdom owns 30 per cent of SWACO and Charter Consolidated, Ltd., of the United Kingdom also owns a large holding in SWACO.

Table 2 (continued)

D. Subsidiaries or associates of companies registered in Canada

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Brilünd Mines, Ltd.	Etosha Petroleum (Pty.), Ltd.	Petroleum exploration
Falconbridge Nickel Mines, Ltd.	Oamites Mining Company (Pty.), Ltd.	Mining copper
New Wellington Mines, Ltd.	New Wellington Mines, Ltd.	Mineral exploration

E. Subsidiaries or associates of companies registered in the Federal Republic of Germany

Metallgesellschaft, AG <u>c/</u>	South West Africa Lithium Company	Mining lithium
	Kiln Products, Ltd.	Produces zinc oxide from concentrates
Ohlthaver group	Khan Mine (Pty.), Ltd.	Mining copper

F. Associated group of organizations based in Greece

Aristotle Onassis organization	Aristotle Onassis organization	Prospecting for diamonds and, in partnership with Mr. B. J. H. du Preez, for petroleum
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G. Subsidiary of a company registered in Spain

Pesquerías Gaditana de Gran Altura, SA	Gaditana Fishing Company (Pty.), Ltd.	Fishing
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c/ Metallgesellschaft is owned by the Klöckner and Company/Duisberg Mannheim Gesellschaft group.

Table 2 (continued)

H. Subsidiaries or associates d/ of companies registered in South Africa

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Anglo American Corporation of South Africa, Ltd.	Consolidated Diamond Mines of South West Africa, Ltd. (CDM) (through Anglo American's holding in De Beers Consolidated Mines, Ltd.)	Diamond mining (jewellery and industrial)
	SWACO	Mining lead and vanadium
	Kiln Products, Ltd.	Produces zinc oxide from concentrates
Anglo-Transvaal Consolidated Investment Company, Ltd. (ANGLOVAAL)	Africa Triangle Mining, Prospecting and Development Company (Pty.), Ltd.	Prospecting for copper
De Beers Consolidated Mines, Ltd.	CDM	Diamond mining (jewellery and industrial)
	Consortium with Société nationale des pétroles d'Aquitaine	Prospecting for petroleum
	Marine Diamond Corporation	Off-shore diamond mining
	Tidal Diamonds (SWA) (Pty.), Ltd.	Prospecting for diamonds
Desert Finds (Pty.), Ltd.		Prospecting for uranium
DiGamma Mining Company		" "
Mr. B. J. H. du Preez		Made anthracite discovery; prospecting for petroleum

d/ The name of the related company in Namibia has been included only when it differs from that of the parent company.

Table 2 (continued)

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Federale Mynbou (Bpk.) of South Africa	Klein Aub Copper Company	Mining copper
	FEDSWA Prospekteerders (Edms.) (Bpk.)	Prospecting for copper
Federale Volksbeleggings (Bpk.) of South Africa	Klein Aub Copper Company	Mining copper
	FEDSWA Prospekteerders (Edms.) (Bpk.)	Prospecting for copper
Fedmar, Ltd.	Otjihase Mining Company (Pty.), Ltd.	Opening new copper and zinc mine
General Mining and Finance Corporation, Ltd.	Klein Aub Copper Company	Mining copper
	FEDSWA Prospekteerders (Edms.) (Bpk.)	Prospecting for copper
	Sarusas Development Corporation	Prospecting for diamonds, copper and other minerals; also fishing
	Rössing Uranium, Ltd.	Opening uranium mine
Gold Fields of South Africa, Ltd.		Prospecting for uranium
Industrial Development Corporation of South Africa (IDC)	Oamites Mining Company (Pty.), Ltd.	Mining copper
	Sarusas Development Corporation	Prospecting for diamonds, copper and other minerals; also fishing
	Rössing Uranium, Ltd.	Opening uranium mine
Iron and Steel Corporation of South Africa (ISCOR)	Industrial Mining Corporation (IMCOR) Zinc of South West Africa	Mining zinc
	Uis Tin Mine	Mining tin

Table 2 (continued)

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Johannesburg Consolidated Investment Company, Ltd. known as (JCI)	Sarusas Development Corporation	Prospecting for diamonds, copper and other minerals; also fishing
	B and O Mineral Exploration Company (Pty.), Ltd.	Prospecting for copper
	Otjihase Mining Company (Pty.), Ltd.	Opening new copper and zinc mine
	JCI	Prospecting for gypsum
Mr. Peter Le Riche		Prospecting for uranium
Lorelei Copper Mines		Mining copper
Mankor Beleggings, Bpk.	Sarusas Development Corporation	Prospecting for diamonds, copper and other minerals; also fishing
Marine Products, Ltd.	Klein Aub Copper Company	Mining copper
	FEDSWA Prospektoerders (Edms.) (Bpk.)	Prospecting for copper
Minerts Development (Pty.), Ltd.	Otjihase Mining Company (Pty.), Ltd.	Opening new copper and zinc mine
Nywerheids Ontwikkelings Korporasie	Rössing Uranium, Ltd.	Opening uranium mine
O'okiep Copper Company, Ltd.	Tsumeb Corporation, Ltd.	Mining copper, lead and zinc
	O'okiep Copper Company, Ltd.	Prospecting for uranium
Resena Minerals Company		Mining fluorspar

Table 2 (continued)

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Southern Oil Exploration Corporation (Pty.), Ltd. (SOEKOR)	Southern Oil Exploration Corporation (South West Africa) (Pty.), Ltd. (SWAKOR)	Prospecting for petroleum in partnership with various international oil companies which are mentioned individually in the present table
Tantalite Valley Minerals		Mining tantalite
Union Corporation, Ltd.	Tsumeb Corporation, Ltd.	Mining copper, lead and zinc
Vogelstruisbult Gold Mining Areas, Ltd.	SWACO	Mining lead and vanadium
Volkskas Beleggingskorporasie, Bpk.	Sarusas Development Corporation	Prospecting for diamonds, copper and other minerals; also fishing
<u>Other</u>		
African Karakul Auctions		Karakul sales
Afrikaanse Sake-ontwikkelings Korporasie (ASOKOR)		Cattle raising and marketing
Angra Pequena Fishing Corporation, Ltd.		Fishing
Atlantic Rock Lobster, Ltd.		Fishing
Bantu Investment Corporation		Freshwater fishing project
Boere-Saamwerk, Bpk.		Karakul sales
Cape Lobster Canning Company, Ltd.		Fishing
Federal Marine, Ltd.		Fish sales
Fisheries Development Corporation		Fishing

Table 2 (continued)

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
Kaap-Kunene Beleggings, Bpk.	Kaap-Kunene Beleggings, Bpk.	Fishing
	New Western Fishing Industries, Ltd.	Fishing
Karoo Leendehawe, Bpk.		Cattle sales
KKO Beleggings, (Edms.), Bpk.		Fishing
Konsortium Visserye		Fishing
Kooperatiewe Wolmaatskappy		Karakul sales
Kuiseb Visprodukte, Bpk.		Fishing
Marine Products, Ltd.	Namib Fisheries, Ltd.	Fishing
	Karibib Visserye, Bpk.	Fishing
	Tuna Corporation of Africa, Ltd.	Fishing
	Neptune Fisheries, Ltd.	Fishing
Ovenstone Investments, Ltd.	Walvis Bay Canning Corporation, Ltd.	Fishing
	Van Riebeck Canning and Fishing Corporation (Pty.), Ltd.	Fishing
	Columbine Canning Company (Pty.), Ltd.	Fishing
Sarubar (Pty.), Ltd.		Fishing
Sea Products (SWA), Ltd.	Oceana Fishing Corporation, Ltd.	Fishing
	Luries Canning Factory, Ltd.	Fishing
	Lüderitz Bay Canning, Ltd.	Fishing
	African Canning Company (South West Africa), Ltd.	Fishing

Table 2 (continued)

<u>Parent company</u>	<u>Related company in Namibia</u>	<u>Activities</u>
South West Africa Fishing Industries, Ltd. (SWAFIL)	West Coast Fishing Industries	Fishing
	Northern Fishing Industries of South West Africa (Pty.), Ltd.	Fishing
	Walvis Bay Trawling Company (Pty.), Ltd.	Fishing
	Seaflower Investments, Ltd.	Fishing
	Gaditana Fishing Company (Pty.), Ltd.	Fishing
Suid Kunene Visserye, Bpk.		Fishing
SWAPROM (Pty.), Ltd.		Fishing
Vleisprodusente (Sentraal Koöperatief) Bpk., known as Vleissenstraal		Cattle and beef marketing

APPENDIX V

BERMUDA

Introduction

1. Basic information on the economic conditions in Bermuda, with particular reference to foreign economic interests, was annexed to the previous report of Sub-Committee I and reproduced in the last report of the Special Committee to the General Assembly. a/ The latest working paper prepared for the current session of the Special Committee also contains recent information on general economic conditions in the Territory (A/9623/Add.6 (Part I), chap. XXIII, annex). Supplementary information on the activities of foreign economic interests is set out below.

1. General

2. At the last census, taken in 1970, the resident civil population of the Territory comprised 30,897 non-whites and 21,433 whites and others. Of the 52,330 inhabitants, 37,834 were Bermuda born and 14,496 foreign born. Included in the latter figure were 10,438 immigrants without Bermudian status.

3. On 8 February 1974, Mr. C. V. Woolridge, Minister of Labour and Immigration, laid before the House of Assembly a policy statement regarding the acquisition of Bermudian status. In this statement, he said:

"In view of the need to contain the rate of population growth, the Government has decided to adopt a new procedure for processing applications for Bermuda status. This is designed to ensure that status will continue to be granted to those persons whose skills and expertise are particularly needed, and who make a valuable contribution to the economic and social development of the community. At the same time, additional weight will be given to applicants who have family connexions with Bermuda ...

"The new policy involves the introduction of a quota under which status will be granted on a points system. Inherent in the policy is the Government's recognition that it is imperative that young Bermudians be assured of adequate career prospects, particularly in view of the increased educational opportunities now available. The new policy will come into effect today, but all applications received before this date will be dealt with in accordance with the old policy."

4. Under the quota system, the number of persons to receive Bermudian status will be limited annually to 0.1 per cent of the total Bermuda born population,

a/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix V.

currently estimated at 38,000. This means that no more than 38 persons will be granted status in the first year.

5. Points received by applicants will be given by the Ministry of Labour and Immigration and the Status Committee, each of which can award up to 100. In allocating the number of points, the Ministry will take the following into account: length of residence, family association with Bermuda and possession of freehold estate. Maximum points under the three categories will be 40, 50 and 10 respectively. The Status Committee will consider the applicant's character and conduct; his financial solvency and domestic stability; the economic situation of the Territory and due protection of persons already engaged in gainful employment; and any advantage or disadvantage which the continued residence of the applicant or his family may afford to Bermuda. A maximum of 25 points will be awarded under each of these categories.

2. Property development

6. The period from 1966 to 1971 saw a rapid expansion of building activity, spurred primarily by the demand for hotel accommodation and luxury homes with a concomitant steep rise in prices. In 1972, expansion slowed to a gradual pace and, by late 1973, the boom had come to a halt, owing mainly to a slow-down in the tourist trade and to restrictions recently imposed by the Government on the sale of local real estate to non-Bermudians. Aware of the need for alleviating Bermuda's housing shortage, the Government is taking steps to help Bermudians to acquire moderate or low-cost houses.

7. The policy controlling the purchase of local real estate by non-Bermudians deals separately with: (a) those who have been gainfully employed for at least three consecutive years; and (b) those who are not gainfully employed. Non-Bermudian purchasers must apply to the Ministry of Labour and Immigration. Applicants in category (a) may buy a house only if it has an annual rental value of over \$B 2,580; b/ those in category (b) may be permitted to buy a house with a minimum annual rental value of \$B 3,300. Since 26 February 1972, non-Bermudians have been required to pay a tax at the rate of 10 per cent of the value of property purchased by them. The tax is designed to discourage outsiders from buying land and to reduce and deflate the price of local real estate.

8. On 10 September 1973, Mr. Woolridge, Minister of Labour and Immigration, stated that the Government had been concerned with the slow sale of condominiums, and that such properties would be more suitable for purchase by non-Bermudians, although efforts would be continued to discourage them from buying large tracts of land. He further stated that he had met with Mr. Bradan Hollis, chairman of the real estate section of the Chamber of Commerce, to discuss the latter's proposals to relax restrictions on the sale of local real estate to non-Bermudians.

b/ One pound sterling (£) was equivalent to \$B 2.40 until 29 July 1972. Since then, the Bermuda dollar has been valued at \$US 1.00.

These proposals included: abolition of the three-year residency requirements for non-Bermudians employed in the Territory; abolition of the 10 per cent tax on the value of property bought by non-Bermudians; and permission for exempted companies to purchase houses in their own right as corporate bodies. On 22 December, it was reported that, despite opposition from property developers, Mr. Woolridge intended further to tighten restrictions on the sale of local real estate to non-Bermudians.

9. In July 1973, a law was enacted establishing a semi-independent, non-profit Housing Corporation, to be financed by loans from various sources (see A/9623/Add.6 (Part I), chap. XXIII, annex, para. 72). The Corporation is intended to carry out the Government's policy aimed mainly at stimulating housing schemes and promoting home ownership by assisting people to buy or build their own homes.

10. On 16 February 1974, Mr. Geoffrey Kitson, the newly appointed Chairman of the Housing Corporation, was reported to have said that the exempted companies based in the Territory "fully realize that the sociological security of Bermuda depends to quite a large extent on the adequate housing of the population" and that "from their point of view, they would be investing in the future stability of the Island in which they have set up their businesses". Mr. Kitson added that the Corporation hoped to raise at least \$B 20 million for housing, but thought that it would be difficult to secure that amount in exempted company loans. It was also reported that one such company, International Risk Management, was willing to grant the Corporation low-interest loans totalling between \$B 3 million and \$B 10 million. Under the existing law, exempted companies are prohibited from investing funds in Bermuda. However, Mr. J. H. Sharpe, Minister of Finance, was quoted as saying that the legislation would be amended to allow such companies to finance housing schemes.

3. Tourism

11. The tourist industry, the mainstay of the economy, expanded rapidly between 1966 and 1971, but by 1972 the average yearly rate of growth had slowed from about 6 to 2 per cent, and hotels were caught between rising costs and decreased demand, resulting in a reduction of their profits. In 1973, a total of 467,256 tourists visited Bermuda, an 11 per cent gain over the previous year, but hotels again made a poor showing because of a fractional decline in occupancy.

12. Measures taken by the Government to tackle the problems confronting the tourist industry included the following: (a) strengthening its competitive position by encouraging hoteliers to provide value for money spent by tourists and to fulfil the promises made to prospective visitors in promotion campaigns; (b) continuation of the Government's commitment to a policy of consolidation and stabilization of the industry; (c) refusal to grant or renew work permits for certain foreign workers with a view to assisting some 150 laid-off hotel employees; and (d) provision of training for Bermudians so as to equip them to take positions now held by expatriates.

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13. In 1973, the Territory had, under government licence, 19 hotels (25 to 936 beds); 57 guest houses (6 to 99 beds); two clubs (77 to 126 beds); 10 cottage colonies (20 to 110 beds); and 22 housekeeping cottages (6 to 202 beds). c/ Most of the major hotels and other large establishments concerned with tourism are reportedly owned by non-Bermudian interests. On 14 December, Mr. De F. W. Trimingham, Minister of Tourism, informed the House of Assembly that he would soon introduce legislation to give the Government more effective control of the operation and ownership of hotels so as to ensure that outside pressures did not alter its policies or practices. He added that, in January 1974, the number of hotel beds available in Bermuda would decrease by 411 to 8,457, including those in the newly opened 400-room Southampton Princess, one of the two hotels controlled by Princess Properties International, Ltd. (PPI). In reply to a question, Mr. Trimingham said that the Government had made a commitment to PPI, when construction of the Southampton Princess had been started.

14. Despite controls recently instituted by the Government, PPI, the largest hotel owner and operator in the Territory where its main office is located, reportedly has grown from 240 rooms in one hotel (Hamilton Princess) to 4,000 rooms in two hotels in a period of nine years ending December 1973.

15. In 1973, hotels provided employment to 2,741 Bermudians (2,511 in 1972) and 1,675 non-Bermudians (1,805 in 1972). Commenting on the unemployment situation in the industry, Mr. Trimingham told the House of Assembly on 8 February 1974 that the winter hotel closures would be largely over by the end of the month and that the tourist forecast was a third to twice as good as it had been the previous year. He therefore considered that the problem of unemployment was not serious, a view with which the opposition Progressive Labour Party (PLP) did not agree.

4. Financial developments

Banking institutions

16. Four banks have been established to provide complete banking and trust facilities. The average yearly rate of growth of the banking industry slowed from about 37 per cent in the period 1968-1970 to 11 per cent in the period 1971-1972. In 1972, the industry had combined resources of \$B 702.5 million (\$B 634.0 million in 1971), of which the Bank of Bermuda, Ltd. accounted for \$E 336.4 million (\$B 319.0 million in 1971); the Bank of N. T. Butterfield and Son, Ltd. for \$B 272.5 million (\$B 249.0 million in 1971); the Bermuda National Bank, Ltd. for \$B 54.8 million (\$B 31.0 million in 1971); and the Bermuda Provident Bank, Ltd. for \$B 38.8 million (\$B 35.0 million in 1971). The first two banks are predominantly controlled by Bermudians, while the last two are largely owned by foreigners.

c/ West Indies and Caribbean Yearbook, 1973.

17. It will be recalled that, on 23 June 1972, the Government of the United Kingdom and Northern Ireland decided to free the pound sterling from its fixed rate and to introduce exchange control between the United Kingdom (including the Isle of Man and the Channel Islands) and the countries of the sterling area except the Republic of Ireland. Following this decision, and after consultations with the United Kingdom Government, the Bermuda Government decided to peg the local currency in terms of the United States dollar instead of the pound sterling, and to apply reasonable exchange control to overseas transactions with a limit on investment abroad by residents. As a result of the floating of the United States dollar, begun on 19 March 1973, Bermuda once again faces uncertainties in the international monetary situation.

18. At a meeting held in late December, the Bermuda Provident Bank, Ltd. drew the attention of its shareholders to the recent international monetary developments. It said that these developments had led to the loss of potential customers in the "old sterling area", but that Bermuda was still held in "high esteem" in the world of international finance and that all institutions working in the banking industry had successfully found new markets for off-shore services. During the year, two other banks (the Bank of Bermuda, Ltd. and the Bank of N. T. Butterfield and Son, Ltd.) sought to provide services to client members of the European Economic Community (EEC) in general and to the United Kingdom in particular, by establishing, respectively, a wholly owned subsidiary (with a capital of £500,000) and an office (in which London-based Baring Brothers and Company, Ltd. acquired a 50 per cent interest) in the Channel Islands, which form part of the "much-reduced sterling area".

19. As previously noted, d/ the City Finance and Investment Company, Ltd. in late 1972 proposed to set up a new bank to be called the Bermuda City Bank. Three of the four banks of the Territory opposed the proposed bank, 60 per cent of which would be owned by the company and 40 per cent by the First National City Bank of New York. The application for setting up the bank was under consideration by the Special Joint Select Committee of the Legislature. On 8 June 1973, the Select Committee, by a vote of 6 to 2, adopted a report, in which it recommended that permission should not be granted for the establishment of the proposed bank. The Select Committee was of the opinion that four banks were enough for the time being; that another bank would mean bringing in more foreign workers; and that 40 per cent of its shares held by non-Bermudian interests would result in profits to overseas shareholders, thus creating a further drain on Bermuda's balance of payments.

20. At the end of a debate on the report, held in the House of Assembly on 22 June, there were no objections to the recommendation contained therein. Mr. Frederick Wade of PLP stated his party's opposition to the proposed bank, as follows:

d/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix V, para. 16.

"We don't think it's in the interests of the country to force on local banks ... to compete with a large, multinational corporation ... It would be reactionary to hand over control to such a corporation. We can see it forcing the local banks to go further into the hands of foreigners ... We don't believe that the present banks believe their own arguments because their behaviour indicates they are not really keen about expanding the economy. What they are afraid of is competition."

Commenting that the four banks "have had a long time in this country to do what ought to be done with regard to access of banking facilities", he warned that they might not be able to expect PLP support in a stand against a new bank in the future. The members of the Cabinet took no part in the voting on the report on the advice of Mr. Sharpe, Minister of Finance, who explained that he might be called upon to make a decision on the proposed bank.

21. In a statement issued on 13 July, Mr. Sharpe announced his decision not to recommend the formation of the proposed bank at that time because, in his view, it would be "undesirable in the public interest". He said that the Government had supported this decision, based mainly on the following considerations:

(a) To the extent that the new bank was successful at the local level, it would detract from the profitability of the existing banking institutions and would possibly and undesirably add to inflationary pressures by providing another short-term credit facility;

(b) The new bank might cause the two oldest banks (the Bank of Bermuda, Ltd. and the Bank of N. T. Butterfield and Son, Ltd.) to invite further foreign participation at the expense of local shareholders and control;

(c) Additional international business would most certainly be generated, but a sudden impetus in the steady growth of this business would mean some costs in the way of increased pressures on Bermuda's already somewhat overstrained resources.

International business

22. As previously noted, e/ international business expanded rapidly during the period 1967-1971, when the number of the international companies increased from 758 to 1,891. In 1972, however, the average yearly rate of growth of such business slowed from 30 per cent to 11 per cent. This slowdown was mainly attributed to the establishment of a new exchange control system by the United Kingdom Government (see para. 17 above), which made the Territory less attractive to United Kingdom residents. As a result, many international companies owned by United Kingdom interests were liquidated or were in the process of liquidation, having found it more advantageous to move to another jurisdiction such as the Channel Islands.

e/ Ibid., paras. 18-23; see also A/9623/Add.6 (Part I), chap. XXIII, annex, para. 43.

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23. At the beginning of 1973, there were signs of an improved outlook for the international financial community. By the end of March, the number of foreign companies registered in Bermuda showed a 17 per cent gain to 2,467. Of these, 2,145 were exempted companies, incorporated under the Exempted Companies Act, 1950, which permits them to apply for exemption from corporate taxation. Under a bill which the House of Assembly and the Legislative Council passed on 30 November and 12 December respectively, such exemption would be allowed until the year 2006. The remaining 322 foreign companies were non-resident corporate bodies incorporated overseas with permits to operate from a Bermuda office under the Immigration and Protection Act 1956. f/ In a recent speech, which was noted by the Special Committee (A/9623/Add.6 (Part I), chap. XXIII, annex, para. 38) the Minister of Finance said that, although the inflow of foreign investment capital had ceased, international business had maintained a reasonable growth rate during 1973.

24. The Special Committee also noted the adoption by the United States Government in late 1972 of amendments to the Interest Equalization Tax Act. g/ The amended Act, accompanied by the new monetary and foreign exchange policies being pursued by the Bermuda Government (see para. 17 above), made it feasible for a number of large United States multinational firms to choose Bermuda as a base for international financing activities. At the end of January 1974, the United States Government took measures to lift restraints on the outflow of United States capital abroad. According to the Bank of Bermuda, Ltd., these measures could encourage more United States investment in local securities. They included: (a) an executive order issued by the President of the United States reducing to zero the interest equalization tax which had been levied on investments by United States residents in securities and bonds overseas; (b) the termination by the Department of Commerce of foreign direct investment controls; and (c) the abolition by the United States Federal Reserve System of its voluntary Foreign Credit Restraint Guidelines, which had been designed to restrain foreign lending and investment overseas by United States banks and other financial institutions. The above-mentioned measures were adopted, owing to the improvement of the United States balance-of-payments position and the renewed strength of the United States dollar on the world's foreign-exchange markets.

f/ For further information on the laws establishing Bermuda as a tax haven, see Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 23, (A/8723/Rev.1), chap. V, annex, appendix VI, paras. 4-9; ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix V, paras. 25-30.

g/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix V, para. 24.

APPENDIX VI

CAYMAN ISLANDS

Introduction

1. Basic information concerning economic conditions in the Cayman Islands, with particular reference to foreign economic interests, was annexed to the previous report of Sub-Committee I and reproduced in the last report of the Special Committee to the General Assembly. a/ The latest working paper prepared for the current session of the Special Committee also contains recent information on general economic conditions in the Territory (A/9623/Add.6 (Part I), chap. XXV, annex, Sect. B). Supplementary information on the activities of foreign economic interests in the islands is set out below.

1. Financial developments

2. Because of its status as a tax haven, its accessibility and stability, the Cayman Islands have provided attractive facilities for the operation of international finance through exempt and ordinary companies based in the islands. There is no income tax, property tax, corporate tax or any other form of direct taxation in the Territory, and there is no tax treaty which would require the islands to furnish information to any other Government. Banks can offer numbered confidential accounts to depositors.

3. According to reports, the locally based off-shore operations grew tremendously in 1973. Because of the Territory's status as an important international finance centre, many companies obtain bank or trust licences, or both, to operate financial businesses outside the Territory.

4. In the first 10 months of 1973, 1,155 new companies were registered, bringing the total to 5,071 financial institutions (4,000 in 1972) in the Territory, and 56 new banks and trust companies were granted licences, making a total of 138. Most of the banks and almost all of the companies and trusts registered in the islands deal in off-shore operations; they have agreed not to do business locally but use the islands as a base and tax haven to do business in other parts of the world. Most of the companies incorporated in the islands are investment holding or dealing companies with quoted or unquoted investments throughout the world.

5. In July 1973, the Tax Concession Law, 1963, was amended so that the Government's guarantee to exempt companies would be free from taxation for 30 years from the date the concession was granted to the company, rather than from the time the tax concession law was passed, as was the case previously. The Companies Law, 1960, was also amended to the effect that fully paid-up shares ranking pari passu for all purposes need not be numbered.

a/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix VI.

6. Some of the major international banks and trust companies operating in the islands are as follows: Barclays Bank International, Ltd.; Bank of Montreal Trust Corporation (Cayman), Ltd.; Canadian Imperial Bank of Commerce; Canadian Imperial Bank of Commerce Trust Company (Cayman), Ltd.; First National City Bank; Royal Bank Trust Company (Cayman), Ltd.; Swiss Bank and Trust Corporation, Ltd.; Bank of Nova Scotia; Bank of Nova Scotia Trust Company (Cayman), Ltd.; Royal Bank of Canada; World Banking and Trust Corporation (Cayman), Ltd., a subsidiary of the Bank of America; and Northwestern Bank of North Carolina. A greater number of Caymanians are now being employed in the finance sector, although the majority of the higher positions are still occupied by foreigners.

7. In June 1973, there was some debate in the United Kingdom House of Commons over the reported tax evasions of some of the directors of Lonrho, Ltd., a large company operating mainly in Africa, with headquarters in the United Kingdom of Great Britain and Northern Ireland. The "Lonrho Affair", as it was called in the press, made news when some of the directors of the company were accused of accepting some salary compensation in the "tax-free haven of the Cayman Islands". It was established, however, that there had been no infringement of United Kingdom legislation since any funds deposited in the Cayman Islands were not of United Kingdom origin.

8. In January 1974, Mr. K. R. Crook, the Governor of the Territory, in his address at the opening session of the Cayman Tax Seminar, gave a stern warning to persons who might wish to use the financial industry in the Cayman Islands as a cover for disreputable or even criminal activity. According to Mr. Crook, the Government would do everything possible to prevent improper dealings and would have the overwhelming weight of public opinion behind it, as well as the complete support of those in the industry who, like the Government, believed in sound financial operations.

9. Mr. V. G. Johnson, the Financial Secretary, pointed out at the same session that the Government was not opposed to the creation of a financial centre in the islands, and was, in fact, involved in it, but was concerned that proper controls be instituted. The Financial Secretary added that the behaviour of the local financial community had been satisfactory up to the present time.

10. It was reported that in February 1974 the group general manager of Cable and Wireless, Ltd., visited the Cayman Islands with other officials of that firm, to inspect progress on the multimillion dollar telephone expansion programme. According to the report, about 20 specialists would be working on some phases of the project for about a year before the new 2,000-line exchange comes into operation in 1975. The general manager also met with government officials and outlined the company's plans for medium-term development in the Territory, involving a further investment of \$US 2.5 million over the next five years.

2. Property development

11. The demand for the construction of new banks, offices, apartments, hotels and houses continued during the period under review. In September 1973, the

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Managing Director of Blue Caribbean Land Corporation, Ltd., (a Caymanian company formed in 1966) which is involved in all phases of land development, including home buildings, condominiums, lot sales, cattle farming and agriculture, announced plans for a large-scale development in the district of East End. Within the next two or three years the corporation plans to build tourist facilities of all types, including a golf course, tennis courts and all water sports. The corporation also owns 800 acres of interior land and over 700 feet of beach property at Colliers and South Sound. It has also received authorization from the Planning Board of the Territory to build a 55-unit condominium complex north of the Governor's home.

12. In October 1973, the Strata Registration Law was passed by the Legislative Assembly without controversy. Basically, the law gives developers the right to sell condominiums outright rather than through 99-year leases. It was explained that this legislation would produce more revenue for the Government, and "provide a further boost to the development of the islands in a type we would like to see".

13. On 22 February 1974, Governor's Harbour, Ltd., the company set up by Sterling Bank and Trust Company Ltd., to acquire Grand Cayman's largest real estate development was reported to have issued bonus shares to those Caymanians who had subscribed to the company's public offering last September 1973. The share offer, announced soon after the 450-acre development area had been acquired from First Cayman Building and Development, Ltd., was opened only to Caymanians and persons with Caymanian status. They were invited to subscribe 400,000 shares at \$CI 2.50 each. b/ The Board of Directors of Governor's Harbour, Ltd., also decided that the remaining shares of the company should be released to the general public in a secondary offering by Sterling Bank as soon as legal documents and the company's financial statement were completed.

14. The revised master plan for the development, prepared by Rulkowski, Brandford and Partners, was also approved by the Governor's Harbor Board. The main feature of the new plan is the reduction in the density of the development, from 651 units to 249 units, by eliminating apartment buildings, and allocating large acreages to public use such as schools, churches, a medical clinic, parks and recreation and sports facilities. The new plan was reportedly under consideration by the Central Planning Authority in the Territory.

3. Turtle farming

15. It will be recalled, c/ that Mariculture, Ltd., formed in 1969 by a group of investors from the United Kingdom and the United States, had established a

b/ The local currency is the Cayman Islands dollar (\$CI); \$CI 2.00 equal one pound sterling. See also A/9623/Add.6 (Part I), chap. XXV, annex, Sect. B, paras. 16-17.

c/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix VI, para. 14.

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sophisticated turtle farm near George Town. Over the past four to five years, it was reported that the company had spent in excess of \$CI 3 million in the construction of Goat Rock Farm and the development of techniques of animal husbandry, feed formulation, health and feeding research, as well as market research to prove that the green turtle could be domesticated and farmed profitably.

16. In August 1973, the Financial Director of the firm, the world's only commercial turtle farm, announced at a general meeting of the shareholders that the time was now ripe for the company to expand its operation into an international turtle farming enterprise, and to this end it was seeking an additional \$CI 14 million in equity funds for an expansion programme. The second phase of the company's expansion would be the design and construction of a second farm. It was pointed out that, with a successful expansion programme, the company could anticipate an annual sales volume of at least \$CI 12 million within four years, which would transform Mariculture, Ltd. into a significant international farming and trading enterprise. Funds required for this phase of expansion would be about \$CI 5 million, according to the Financial Director.

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APPENDIX VII

THE TURKS AND CAICOS ISLANDS

Introduction

1. Basic information concerning economic conditions in the Turks and Caicos Islands, with particular reference to foreign economic interests, was annexed to the previous report of Sub-Committee I and reproduced in the last report of the Special Committee to the General Assembly. a/ The latest working paper prepared for the current session of the Special Committee also contains recent information on general economic conditions in the Territory (A/9623/Add.6 (Part I), chap. XXV, annex, Sect. D). Supplementary information on the activities of foreign economic interests in the islands is set out below.

1. Real estate development and tourism

2. Land adjudication of all the islands in the Territory was completed in 1971, and it has now become possible to ascertain the ownership of all land in the islands. Most of the land is Crown land and a large part of the remainder is freehold. According to a working team headed by Sir Derek Jakeway, which was appointed by the Government of the United Kingdom of Great Britain and Northern Ireland to inquire into the future development of the islands, b/ the Territory's land area in 1969 (103,099 acres) comprised 78,259 acres of Crown land and 24,840 acres of private land.

3. Crown land is usually made available for development purposes by means of a conditional purchase lease. Land is first leased and freehold title is acquired only after the land has been developed in accordance with the terms and conditions of the lease. If no development takes place within the stipulated period, the land reverts automatically to the Crown.

4. Among the previously noted private projects for the development of tourism and land are those on Providenciales, North Caicos and Pine Cay (4,000, 1,500 and 740 acres of Crown land respectively). c/ The last-named is a project of the Cays Development Company, Ltd., which had acquired the property in the early 1960s and, according to reports in 1972, was to design the Meridian Club with related facilities occupying 425 acres of the land.

a/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix VII.

b/ Ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. V, annex, appendix VIII, paras. 2-9.

c/ Ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix VII, paras. 4-5.

5. In April 1973, the Planning and Development Authority considered about 50 applications for construction, and it was reported that buildings valued at \$J 646,800 d/ had been unconditionally approved as follows:

(a) \$J 352,700 on Grand Turk including nine houses to be constructed on the North East Ridge by Wigglesworth and Associates;

(b) \$J 169,600 for Providenciales, including a new marina for William Kampe, to be built at a cost of \$J 100,000;

(c) \$J 20,200 on Middle Caicos;

(d) \$J 30,000 for a house on Parrot Cay;

(e) \$J 50,000 for houses and extensions on North Caicos;

(f) \$J 24,300 for buildings on South Caicos.

6. It was reported on 10 January 1974 that an agreement had been reached between Mr. Jack Gold and the Government of the Territory for the construction and operation of a 50-bedroom hotel complex on Salt Cay, at an estimated cost of \$US 2.5 million. According to the agreement, Mr. Gold has to submit plans within six months and has to begin the project within the following year. About \$US 300,000 would be spent on infrastructure by Mr. Gold's newly registered company (Sunshine Development Company, Turks, Ltd.) and negotiations to this effect were to take place between members of the State Council Sub-Committee for Public Works on Salt Cay and Mr. Gold.

7. The company would provide or improve electricity and water utilities, roads, marina and docking facilities, and landscaping and beautification projects on Salt Cay. The company proposes to employ local residents in all phases of development.

2. Industry

8. In March 1972, talks were held regarding the possibility of establishing an oil refinery on the uninhabited island of West Caicos. Representatives of Esso Inter-America, an Assistant Under-Secretary from the United Kingdom Foreign and Commonwealth Office and a consultant for the petroleum industry attended the meetings which were followed by meetings between the State Council of the Territory and Esso representatives later in the same year.

9. In May 1973, at the formal opening of the budget session of the State Council, the Governor of the Territory said that an account of the negotiations with Esso for the establishment of an oil refinery had been presented to the Council in 1972.

d/ At the time (April 1973), one Jamaican dollar (\$J) equalled \$US 1.10. On 1 August 1973, the United States dollar became the legal currency of the Territory.

He added that the studies undertaken by Esso had proved to be more complex and difficult than were envisaged at the time and that the future fuel and power policy of the United States Government was one of the many factors on which the ultimate decision would be based. However, the basis of an agreement for the establishment of the refinery had been set down and the State Council had agreed to Esso Inter-America's request for an extended option.

10. In June 1973, it was reported that Esso had paid \$US 100,000 to the Government of the Territory to offset costs in planning the possible refinery and had paid a further sum of \$US 200,000 to the Government for an option on land on the ocean side of West Caicos. The option is valid until 30 June 1976. The funds have reportedly been invested in the Joint Consolidated Fund in the United Kingdom and are earning interest at the rate of approximately 9.5 per cent.

11. In its original plan, Esso proposed to build the refinery on West Caicos, which is at present uninhabited, and also to build housing and related services on Providenciales. At the time, the Government of the Territory indicated that the development should be fully integrated into the island's community, to which Esso reportedly agreed.

12. In certain official circles in the Territory there was disappointment at the postponement of Esso's decision, for fear that economic development would be delayed. Majority sentiment was that an early establishment of a labour-intensive major industry would create serious social problems and the possibility of inflation. According to reports, the population on Providenciales favoured postponement of the project, because the acreage earmarked for the site of the project would be released for other "developments in the economic interest of the islands".

3. Establishment of a tax haven

13. As previously reported, e/ the territorial Government enacted the Companies Ordinance, 1971, which declared that no corporation, personal or withholding taxes would be imposed in the Turks and Caicos Islands for at least 20 years. The Territory is in effect a tax haven, although, unlike the position in the Caymans, no guarantees are given.

14. In July 1973, five members of the Canadian House of Commons visited the Territory as guests of the Turks and Caicos Islands branch of the Commonwealth Parliamentary Association. In an address before the Chamber of Commerce of the Territory, in the presence of the Canadian delegation, Mr. Liam Maguire, a member of the State Council, said: "We feel that we, in the Turks and Caicos Islands, have much to offer you, as we believe that you can offer us much. Due to our

e/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. IV, annex, appendix VII, paras. 9-11.

stability and because of our commercially strategic location I believe that here is not only a natural place for you to serve the markets in the region with your products, but also a place where you can holiday in the sun, and where perhaps your financial institutions can establish a place of business free from any taxes, and free from the snows of your country."

15. It was reported in July 1973 that a committee of the State Council, headed by Mr. George Ewing, was examining the possibility of proposing new legislation for the islands to encourage the registration of off-shore international corporations, which some believe could be a major source of revenue for the Territory. The Committee was being advised by experts in this field. Mr. Anthony Kershaw, Parliamentary Under-Secretary of State of the Foreign and Commonwealth Office of the United Kingdom, said, during a visit to the Territory, that he did not think that such business could be objectionable provided that it only involved "clean money". He added that the territorial Government should receive complete information on the non-resident companies wishing to register, but that strict confidentiality should be maintained.

16. In November 1973, 67 companies were listed by the Registrar of Companies in the Conch News as having failed to submit an annual return for the year 1972 and, in some cases, for 1971. The notice added that if appropriate fees were not met by the end of that month, the companies would be struck off the register and dissolved under the provisions of sections 40 and 172 of the Companies Ordinance. No further information in this respect has been reported.

CHAPTER V
(A/9623 (Part VI))

MILITARY ACTIVITIES AND ARRANGEMENTS BY COLONIAL POWERS IN
TERRITORIES UNDER THEIR ADMINISTRATION WHICH MIGHT BE
IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE
GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

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CHAPTER V

MILITARY ACTIVITIES AND ARRANGEMENTS BY COLONIAL POWERS IN TERRITORIES UNDER THEIR ADMINISTRATION WHICH MIGHT BE IMPEDING THE IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 952nd meeting, on 26 February 1974, the Special Committee, by adopting the seventy-first report of the Working Group (A/AC.109/L.920 and Corr.1), decided, inter alia, to refer the item entitled "Military activities and arrangements by colonial Powers in Territories under their administration which might be impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples" to Sub-Committee I for consideration and report.
2. The Special Committee considered the item at its 978th and 979th meetings, on 28 and 29 August.
3. In its consideration of the item, the Special Committee took into account the relevant resolutions of the General Assembly, including in particular resolution 3163 (XXVIII) of 14 December 1973 on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, by paragraph 9 of which the Assembly called upon the colonial Powers to "withdraw immediately and unconditionally their military bases and installations from colonial Territories and to refrain from establishing new ones". The Special Committee also paid due regard to the provisions of General Assembly resolution 2621 (XXV) of 12 October 1970, containing the programme of action for the full implementation of the Declaration, which provides that "Member States shall carry out a sustained and vigorous campaign against all military activities and arrangements by colonial Powers in Territories under their administration, as such activities and arrangements constitute an obstacle to the full implementation of resolution 1514 (XV)". Further, in formulating its conclusions and recommendations, the Special Committee was particularly guided by the related information provided by the representatives of national liberation movements of colonial Territories in Africa who had appeared before the Committee.
4. On 27 August, the report of Sub-Committee I on the item was circulated (see the annex to the present chapter). The Sub-Committee's report included eight working papers (appendices I-VIII) prepared by the Secretariat at the request of that Sub-Committee, containing information on military activities and arrangements in a number of Territories.
5. At the 979th meeting, on 29 August, following a statement by the Chairman (A/AC.109/PV.979) and at the request of the delegation of Denmark, a vote was taken on the report of the Sub-Committee. The report was adopted by a vote of 14 to none, with 1 abstention (see paras. 6 and 7 below). 1/ Statements in explanation of vote were made by the representatives of Denmark, Australia and the Ivory Coast (A/AC.109/PV.979).

1/ Five members of the Special Committee were away from Headquarters in connexion with the work of the visiting missions dispatched by the Committee during the period August/September.

B. DECISION OF THE SPECIAL COMMITTEE

6. The text of the conclusions and recommendations adopted by the Special Committee at its 979th meeting, on 29 August, to which reference is made in paragraph 5 above, is reproduced below:

Conclusions

(1) Having studied the military activities and arrangements by colonial Powers in Territories under their administration which might be impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples during the year under review, the Special Committee notes once again with grave concern that there has been no compliance with the provisions of the relevant resolutions of the General Assembly, in particular the following: paragraph 9 of resolution 3163 (XXVIII) of 14 December 1973, by which the Assembly requested the colonial Powers to "withdraw immediately and unconditionally their military bases and installations from colonial Territories and to refrain from establishing new ones"; and paragraph 3 (5) of the programme of action for the full implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in resolution 2621 (XXV) of 12 October 1970.

(2) The Special Committee finds that the purposes and objectives of the military activities and arrangements by colonial Powers in the Territories under their domination remain substantially as described in its previous reports. Generally, such activities and arrangements have one or other of the following objectives: (a) to subjugate the colonial peoples concerned and to repress their national liberation movements struggling for freedom and independence; or (b) to serve the strategic military interests of the colonial Powers and their allies. In both cases such military activities and arrangements constitute a most serious impediment to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960. Indeed, the difference is mainly one of degree, for strategic military bases, such as exist in many smaller Territories in various parts of the world, are an important factor in prolonging colonial rule and, moreover, lead inevitably to interference with the economic development of the Territories concerned, both through the extensive alienation of land for military purposes and by drawing the population away from productive activities.

(3) The Special Committee notes with regret that, far from terminating such activities and dismantling their military bases in colonial Territories in accordance with the relevant United Nations resolutions, the colonial Powers and their allies have increased these activities and are expanding existing bases and building new ones. For all these reasons, the Special Committee must conclude, once again, that the military activities and arrangements by colonial Powers in the dependent Territories constitute one of the main obstacles to decolonization.

(4) The Special Committee especially deplores the grave situation prevailing in the southern part of Africa where the colonialist and racist régimes, acting in concert, have for years been waging large-scale and ruthless warfare against the

colonial peoples and their national liberation movements in an attempt to deny them by force their inalienable right to freedom and independence. The information before the Committee reveals that, in their desperate efforts to stem the tide of liberation, the colonialist and racist régimes, during recent years, have substantially increased their military expenditures and have expanded their armed forces, equipping them with weapons largely obtained from Western countries. For example, the military budgets of the Portuguese-dominated Territories of Angola and Mozambique were increased by over 80 per cent and almost 43 per cent respectively between 1973 and 1974, and in Cape Verde, Portugal's military appropriation more than doubled. This growth in expenditure was accompanied in 1973 by a massive increase in the scale and intensity of the military operations by Portuguese armed forces against the national liberation forces of those Territories, the ruthlessness of which was revealed by the disclosure of the barbaric and inhuman massacres of villagers perpetrated by Portuguese armed forces in the Tete district of Mozambique and elsewhere, and by the extensive use of chemical substances, including herbicides and defoliants, against the peoples of the Territories.

(5) The Special Committee notes that, following the ouster of the former régime on 25 April 1974, Portugal affirmed its obligation under Chapter XI of the Charter of the United Nations and, in conformity with resolution 1514 (XV), has pledged to the United Nations its full co-operation in the implementation of the provisions of Chapter XI as well as the relevant United Nations resolutions in respect of the Territories under its administration. 2/ The Special Committee hopes that the Government of Portugal will put an immediate end to the brutal and inhuman colonial wars against the peoples of the African Territories concerned, withdraw all its military and paramilitary forces from them and enable the peoples of the Territories to exercise fully and freely their inalienable right to self-determination and independence in accordance with the relevant United Nations resolutions.

(6) A significant development during the period under review was the increasing military co-operation between the colonialist and racist régimes in southern Africa. From Mozambique there were numerous reports of intervention, particularly in Tete District, by the forces of the illegal régime in Southern Rhodesia. Also, in 1973, the number of South African paramilitary police in Southern Rhodesia was increased to about 6,000. In March 1974, when at least four South African policemen were killed in Southern Rhodesia by Zimbabwe guerrillas, South Africa is said to have flown more police into Southern Rhodesia. It has also been reported that South Africa is secretly supplying considerable financial aid to the illegal régime to help it in its efforts to suppress the national liberation movements.

(7) The illegal minority régime of Southern Rhodesia likewise increased its military and police forces for the purpose of repressing the African freedom fighters during the period under review. At the end of 1973, the illegal régime announced a 100 per cent increase in the number of persons conscripted into the army. The illegal régime has also decided to create a second battalion of the

2/ S/PV.1791 and A/AC.109/456.

Rhodesian African Rifles to augment the regular army. In February 1974, senior police officers and district commissioners were given additional powers to force African residents in areas suspected of harbouring African freedom fighters to build and maintain roads, fences, bridges and dams. They were also empowered to control food supplies so that food would not fall into the hands of the members of the national liberation movements. The purpose of these powers is to intimidate the African population and thereby prevent it from giving aid to the liberation movements' efforts. These powers were implemented in February 1974 when the security forces destroyed the village of Musiwa near Bindura, including the crops, and sold the village cattle. The villagers had been suspected of feeding and sheltering some African freedom fighters.

(8) The racist régime of South Africa is also continuing to strengthen its military capability. For the financial year 1973/74, the South African military budget was 10 times larger than in 1960, the year of the Sharpeville massacre, when South Africa began an accelerated build-up of its military force. Starting in January 1974, a new system of training white reservists was introduced in both South Africa and Namibia. This action followed other related measures, such as the introduction of compulsory military training for school boys, the imposition of heavier penalties for whites who fail to report for military service and the strengthening of the Citizen Force by an increasing use of conscription. Furthermore, the South African nuclear programme has led to concern in East Africa that South Africa might already be manufacturing atomic bombs. The South African Government has recently begun recruiting "Coloured", Indian and African "volunteers" into the army to fight the freedom fighters. Police forces are also operating in the Territory. In order to encourage the so-called tribal policemen, salaries have been raised to surpass those of African mine workers by as much as three times.

(9) The Special Committee condemns in the strongest possible terms the military and naval co-operation which has reportedly been established or is being established by the NATO /North Atlantic Treaty Organization/ Supreme Allied Commander, Atlantic (SACLANT) with the colonial and racist régimes in southern Africa. According to the statement made by a representative of the South West Africa People's Organization (SWAPO) before the Special Committee at its 968th meeting, on 2 April 3/ this is being done under the guise of planning by SACLANT, which is a subsidiary organ of NATO; on the grounds that it is necessary to protect the Cape route. The SWAPO representative considered that this was a subterfuge to give military and naval support to South Africa and to provide assistance to Portugal in its wars against the peoples of Angola and Mozambique.

(10) In the smaller Territories, such as Guam, the Trust Territory of the Pacific Islands, Bermuda and others, the colonial Powers and their allies have continued to maintain and establish military bases and other installations, contrary to the interests of the peoples of these Territories. The Special Committee notes, for example, that under the terms of agreements reached in 1966 and 1972 with the Government of the United Kingdom of Great Britain and Northern Ireland, the Government of the United States of America maintains a naval communication facility on Diego García to provide a link between its defence communication centres in Australia and Ethiopia. The construction of the United States facility led to the closing of the copra plantations on Diego García and the islands of Salomon and Peros Banos and the evacuation of the 128 inhabitants to Mauritius for resettlement.

(11) The Special Committee expresses its deep concern at the proposed expansion of the military facilities on Diego García and the other islands, bearing in mind the provisions of General Assembly resolution 3080 (XXVIII) of 6 December 1973 relating to the Declaration of the Indian Ocean as a zone of peace. The Special Committee supports the claims of the Government of Mauritius that the United Kingdom Government, by granting permission to the United States to expand its facilities on Diego García, has violated the original agreement under which it withdrew the Chagos Archipelago from Mauritian administration. It will be recalled that in 1967 the United Kingdom Government had given Mauritius a solemn assurance that Diego García would be used only as a communications centre. The Mauritian Government has stated that unless this promise is adhered to, it will take the issue to the International Court of Justice.

(12) In the Caribbean and Western Atlantic regions, the largest military installations located in dependent Territories are situated in Bermuda, the Turks and Caicos Islands and the United States Virgin Islands, and are operated by the authorities of the United Kingdom and the United States. Statistics released by the United States Government indicate a large growth in military expenditures on Guam. In other smaller colonial Territories, the colonial Powers concerned have stationed troops, established air and naval bases and constructed missile-testing sites and other military installations.

(13) The Special Committee reiterates its earlier conclusion that military activities of this type, which are determined by the military and strategic interests of the colonial Powers, inevitably delay the process of decolonization of Territories and lead to interference with the development of their economies, both by the wide-scale diversion of land for military purposes and by diverting their populations from productive activity, particularly when the population is drafted for service in the armed forces of the ruling Power. The Committee therefore concludes that the military and strategic requirements of the administering Powers concerned and those of their allies are prevailing over the interests of the peoples of these Territories.

(14) The Special Committee reaffirms its conclusion of the previous year in regard to military activities and arrangements by colonial Powers and foreign military bases in the Territories under their administration. It confirms once again that such activities, besides creating a threat to international peace and security in certain areas, are also a serious impediment to the implementation of the Declaration, are contrary to the spirit of the Charter of the United Nations and are an abuse by the administering Powers of their responsibilities towards the peoples under their administration.

Recommendations

7. On the basis of the above conclusions, the Special Committee recommends to the General Assembly that it:

(1) Reaffirm the recommendations contained in its previous reports and

emphasize once again that the military activities and arrangements by colonial Powers in the Territories under their administration constitute a serious obstacle to the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;

(2) Demand the immediate cessation of wars to suppress the national liberation movements, the withdrawal of all foreign troops from colonial Territories and the dismantling of military bases in those Territories;

(3) Condemn once again the military and political collaboration by the colonialist and racist régimes in southern Africa which, by the use of force, continue to prevent the indigenous peoples from exercising their inalienable right to self-determination and independence;

(4) Express its support for the national liberation movements of Angola, Mozambique and Cape Verde and for their determination to continue to struggle until their peoples attain freedom and independence;

(5) Demand that the colonial Powers stop using the indigenous inhabitants of dependent Territories as mercenaries in the struggle against the national liberation movements;

(6) Strongly condemn the military co-operation which has been established between NATO and the colonialist and racist régimes in southern Africa;

(7) Deplore once again the alienation of land for military installations and the utilization of local economic and manpower resources to service such bases, which hinder the economic development of the Territories and are contrary to the interests of the indigenous population; and call upon the colonial Powers to cease forthwith from alienating land and to return land already alienated to its rightful owners;

(8) Call upon all States, particularly those members of NATO which continue to maintain relations with the colonialist and racist régimes in southern Africa, to withhold from those régimes all support and assistance, especially the supply of arms and military equipment and assistance in the production of arms and ammunition and in the training of military personnel, as well as economic and other assistance;

(9) Call upon the Government of the United Kingdom to withdraw from the agreement with the United States on the establishment of military installations in the Indian Ocean;

(10) Request all States having responsibility for the administration of colonial and Trust Territories to comply unconditionally with the provisions of the relevant General Assembly resolutions, in particular paragraph 3 (5) of the programme of action for the full implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in resolution 2621 (XXV), and paragraph 9 of resolution 3163 (XXVIII), and request those States to discontinue all military activities which impede the implementation of the

Declaration and to withdraw all foreign armed forces from the above-mentioned Territories;

(11) Request the Office of Public Information to undertake an intensified campaign of publicity with a view to informing world public opinion of the facts concerning military activities and arrangements impeding the implementation of resolution 1514 (XV);

(12) Recommend to the General Assembly that its Fourth Committee should hold a separate debate on this item at its twenty-ninth session and that, in this regard, the Secretariat should be requested to extend such assistance as may be necessary.

/...

Annex*

REPORT OF SUB-COMMITTEE I

Chairman: Mrs. F. J. JOKA-BANGURA (Sierra Leone)

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* Previously issued under the symbol A/AC.109/L.974.

A. Consideration by the Sub-Committee

1. The Sub-Committee considered the item entitled "Military activities and arrangements by colonial Powers in Territories under their administration which might be impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples" at its 138th and 139th meetings, on 27 June and 3 July 1974 (see A/AC.109/SC.2/SR.138 and 139).

2. The Sub-Committee had before it working papers prepared by the Secretariat containing information on military activities and arrangements in the following Territories: Territories under Portuguese domination, Southern Rhodesia, Namibia, Seychelles, Guam, Trust Territory of the Pacific Islands, Papua New Guinea and Territories in the Caribbean area, with particular reference to Bermuda, Turks and Caicos Islands and United States Virgin Islands (see appendices I-VIII below). It also had before it the relevant information contained in the general working papers prepared by the Secretariat on the various Territories. a/

3. In formulating its conclusions and recommendations on the item under consideration, the Sub-Committee was particularly guided by the related information provided by the representatives of national liberation movements of colonial Territories in Africa who appeared before the Special Committee.

B. Adoption of the report

4. Having considered the item concerning military activities and arrangements by colonial Powers in Territories under their administration and having studied all the information available to it, the Sub-Committee, at its 139th meeting on 3 July 1974, requested its Chairman to hold consultations with its members with a view to the preparation of its report and to submit it directly to the Special Committee. b/

a/ A/9623/Add.1 (part I), Add.2, Add.3, Add.4 (part I), Add.5 (part I) and Add.6 (part I).

b/ The conclusions and recommendations submitted by Sub-Committee I for consideration by the Special Committee were adopted by the latter body without modification. They are reproduced in sect. B (paras. 6 and 7) of the present chapter.

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Appendix I

TERRITORIES UNDER PORTUGUESE DOMINATION

INTRODUCTION

1. Information concerning military activities and arrangements in the Territories under Portuguese domination up to 1967 is contained in earlier reports of the Special Committee. Since 1968 the Secretariat has prepared a special series of supplementary working papers on military activities and arrangements in the Territories under Portuguese domination. a/ This report should be read in conjunction with information on recent developments contained in the current background papers on these Territories (A/AC.109/L.918, L.919 and Add.1 and L.921 and Add.1).

1. MILITARY POLICY

2. During 1973, the liberation movements in the Portuguese dominated Territories in Africa intensified their struggle against Portuguese colonial troops. The lack of success in the colonial war against the liberation movements, after more than 10 years of fighting, generated a debate at many levels in the Portuguese forces on the conditions and purposes of the campaign in which they were engaged in Africa.

3. The recall of both General António de Spínola from Guinea-Bissau and General Kaúlza de Arriaga from Mozambique contributed to a sharpening of the conflicting views of the two generals who agreed upon the ends - namely to retain Portuguese control of the Territories - but differed on the effective means by which these ends were to be attained.

4. General Kaúlza de Arriaga, in his published statements, supported a policy committed to complete military victory over the liberation movements. General Spínola, in his book, Portugal and the Future, published on 22 February 1974 expressed the view that a "subversive war" could not be won by Portugal through military means within an acceptable period of time. He also emphasized that Portugal was approaching the limit of its capabilities to engage in the colonial wars. Therefore, according to General Spínola, it was necessary to use the armed forces to guarantee security conditions until a political solution could resolve the conflict, through the creation of a federation of States in which the African population would be given a greater political role, but defence, finance and foreign affairs would continue to be controlled by Lisbon.

5. The publication of General Spínola's book posed an open challenge to the official military policy of the Portuguese Government towards its colonial war in Africa and caused a serious military and political crisis within the Government

a/ For the most recent, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. II, annex, appendix III; ibid., Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. VI, annex, appendix I; and ibid., Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix I.

of Prime Minister Marcello Caetano. As a result, on 14 March, General Francisco Costa Gomes, Chief of Staff of the Armed Forces, and General Spínola, then Deputy Chief of Staff, were dismissed from their posts.

6. On 19 March 1974, General Joaquim Luz Cunha was appointed Chief of Staff of the Armed Forces. He had been Commander-in-Chief of the Portuguese armed forces in Angola for the previous two years. It was reported that General Luz Cunha supported a conservative policy with respect to the Territories under Portuguese domination.

7. The tensions within military circles in Lisbon continued despite a reported purge of military officers. Well-informed sources indicated that unrest among the officers had existed for some time and was based to a large extent on dissatisfaction over pay and working conditions. It was also suggested that many officers were war-weary.

8. On 24 March, Le Monde reported that a document signed by a group of junior officers known as "The Captain's Movement" had been circulated secretly in Lisbon. The document stated that the apolitical role of the armed forces was a myth. Furthermore, the armed forces had been made responsible for the loss of Goa, whereas they could not have achieved the goals imposed by the authorities who had failed to recognize that the Government did not possess the means to carry out its policies. The document declared, in addition, that it was impossible to obtain victory through the use of arms. Finally, it demanded a political solution which would protect national dignity and honour as well as the legitimate interests of the Portuguese established in Africa, taking due account, however, of the undeniable and irreversible aspiration of the African people to govern themselves.

9. On 25 April, a military takeover ended the régime headed by President Américo Thomaz and Prime Minister Caetano. The leaders of the coup identified their group as the Movement of the Armed Forces. In their proclamation, issued on the same day, the Movement declared that the Government would be handed over to a Junta de Salvação Nacional (Junta of National Salvation). The Junta would remain in power during a period of transition in which general elections for a constituent assembly would be held. The Junta, headed by General Spínola, comprised: General Costa Gomes; General Jaime Silvério Marques; General Carlos Galvão de Melo; Vice-Admiral José Batista Pinheiro de Azevedo; Vice-Admiral António Alva-Rosa Coutinho; and Air Force General Manuel Dias Neto. The Junta was assisted by a Political Commission of approximately 30 members, including the lower ranking officers who had been responsible for planning and executing the military coup d'état.

10. One of the first acts of the Junta was to abolish the Direcção-Geral de Segurança (DGS), the Portuguese political police, and to release all political prisoners in Portugal and in the overseas Territories. It also granted amnesty to all deserters and draft evaders who would present themselves to the authorities within a specified period of time.

11. On 30 April, 24 higher-echelon officers of the armed forces were transferred to the reserve list. These included 5 navy admirals; 12 generals and 2 brigadiers of the Army; and 4 generals and 1 brigadier of the air force. Among those transferred to the reserve were Rear-Admiral Pereira Crespo, former Navy Minister; General Luz Cunha, former Chief of Staff of the Armed Forces; and Admiral Mário Tello Polleri, former Secretary of the Air Force Ministry.

12. On 16 May, 42 more generals were transferred to the reserve, including General Kaúlza de Arriaga, former Commander-in-Chief of the Armed Forces in Mozambique, and who was reported to have been involved in a right-wing plot to replace the Government of former Prime Minister Caetano (see A/AC.109/L.921, para. 36).

13. On 15 May, a Provisional Government was formed in Portugal. General Spínola was appointed President of the Republic, and Mr. Adelino da Palma Carlo was appointed Prime Minister. Lieutenant-Colonel Mario Firmino Miguel, a member of the movement of junior officers which had initiated the military take-over, was appointed Minister of Defence, and General Costa Gomes remained as Chief of Staff of the Armed Forces.

14. According to the proclamation issued by the Movement of the Armed Forces on 25 April, the Junta will be maintained during the transition period of the Provisional Government "to safeguard its proclaimed objectives". In accordance with the new political Constitution, the transition period will terminate as soon as the elections for President of the Republic and for the Legislative Assembly take place.

15. On 6 May, General Costa Gomes issued a call to the liberation movements to lay down their arms and co-operate with the Government. The statement appealed to the liberation movements to "leave their clandestine operations, their headquarters beyond the borders and their weapons, and come and fight democratically with words, ideas, political doctrines and, through their political participation, prove that they are effectively the authentic expression of the will of the peoples of the Territories".

16. The liberation movements of Angola and Mozambique have rejected the call for a cease-fire as a pre-condition to eventual negotiations, and have reaffirmed their position that they will negotiate only if Portugal recognizes the right of the peoples of the Territories to self-determination and independence.

2. MILITARY EXPENDITURE

17. As shown in table 1 below, there was a dramatic increase in the military budgets of the overseas Territories in 1974 which totalled 8,958.0 million escudos, b/ an increase of almost 100 per cent over the previous year. For Angola, the increase was over 80 per cent from 1973 (from 2,037.4 million to 3,688.4 million escudos). For Mozambique, the increase was nearly 40 per cent (from 2,204.7 million to 3,075.9 million escudos); and for Guinea-Bissau, before its declared independence, the increase exceeded 850 per cent (from 196.8 million to 1,875.9 million escudos). c/

18. The distribution of the military allocations between the armed forces indicated the major role played by the army in the Territories. As seen in table 2 below, the percentages of increase in the allocations for the army, by Territory, were as follows: 98 per cent for Angola; 43 per cent for Mozambique; 3,437 per cent for Guinea-Bissau (before independence); 170 per cent for Cape Verde; 420 per cent for São Tomé e Príncipe; and 230 per cent for Timor.

Table 1

Overseas Territories: military budgets, 1963-1974

(million escudos)

	<u>Angola</u>	<u>Mozambique</u>	<u>Guinea-Bissau</u> (before independence)	<u>Cape Verde</u>	<u>São Tomé and</u> <u>Príncipe</u>	<u>Timor</u>	<u>Total</u>
1963	456.6	472.1	48.6	12.7	9.8	33.8	1,033.6
1964	481.4	495.5	65.3	12.5	9.1	27.7	1,091.5
1965	554.8	578.7	68.0	13.8	8.8	27.8	1,251.9
1966	626.0	724.4	67.4	15.0	10.3	28.3	1,471.4
1967	782.0	838.4	88.4	19.7	10.5	33.3	1,772.3
1968	951.3	910.3	92.8	25.2	10.4	33.4	2,023.4
1969	1,289.6	945.0	106.1	33.8	11.4	34.9	2,420.8
1970	1,746.9	1,346.0	163.9	37.1	15.3	43.0	3,352.2
1971	2,050.3	1,204.3	189.7	37.3	14.5	53.2	3,549.3
1972	1,925.1	1,303.1	169.0	37.6	15.7	53.5	3,504.0
1973	2,037.3	2,204.7	196.8	42.5	15.0	54.4	4,550.7
1974	3,688.4	3,075.9	1,875.9	89.6	54.3	173.9	8,958.0

Source: Portugal, Diário do Governo, Series I, 1963-1974.

b/ Twenty-seven escudos equals approximately \$US 1.00.

c/ The territorial military budget for Guinea-Bissau for 1974 exceeded the 1967 total for all three Territories.

Table 2

Overseas Territories: military budget allocations, 1967-1974
(million escudos)

<u>Year and Territory</u>	<u>Army</u>	<u>Air force</u>	<u>Navy</u>	<u>Total</u>
<u>Angola</u>				
1967	533.0	180.0	69.0	782.0
1968	678.9	200.5	71.9	951.3
1969	974.7	220.0	94.9	1,289.6
1970	1,356.2	271.7	119.0	1,746.9
1971	1,634.0	291.8	124.5	2,050.3
1972	1,518.9	281.2	125.0	1,925.1
1973	1,595.6	311.0	130.7	2,037.3
1974	3,170.5	372.3	145.6	3,688.4
<u>Mozambique</u>				
1967	609.4	166.0	63.0	838.4
1968	667.3	180.0	63.0	910.3
1969	674.0	202.0	69.0	945.0
1970	886.1	261.4	198.5	1,346.0
1971	877.1	241.2	86.0	1,204.3
1972	967.3	245.0	90.8	1,303.1
1973	1,831.1	267.0	106.6	2,204.7
1974	2,629.4	324.0	122.5	3,075.9
<u>Guinea-Bissau</u> (before independence)				
1967	30.1	2.2	26.1	88.4
1968	30.5	35.3	27.0	92.8
1969	34.8	36.4	34.9	106.1
1970	39.6	59.3	65.0	163.9
1971	50.4	72.4	66.5	189.7
1972	48.0	53.0	68.0	169.0
1973	48.0	58.6	90.2	196.8
1974	1,697.8	71.5	106.6	1,875.9

Table 2 (continued)

<u>Year and Territory</u>	<u>Army</u>	<u>Air force</u>	<u>Navy</u>	<u>Total</u>
<u>Cape Verde</u>				
1967	15.0	1.4	3.3	19.7
1968	16.1	1.5	7.6	25.2
1969	21.3	1.9	10.6	33.8
1970	22.3	2.6	12.2	37.1
1971	22.6	2.5	12.2	37.3
1972	23.6	2.3	11.7	37.6
1973	24.6	2.7	15.2	42.5
1974	66.8	3.6	19.2	89.6
<u>São Tomé and Príncipe</u>				
1967	7.4	0.8	2.3	10.5
1968	7.0	1.1	2.3	10.4
1969	6.9	1.8	2.7	11.4
1970	10.1	2.3	2.9	15.3
1971	8.7	2.5	3.3	14.5
1972	10.5	2.1	3.1	15.7
1973	9.1	2.2	3.7	15.0
1974	47.4	2.6	4.3	54.3
<u>Timor and dependencies</u>				
1967	31.5	-	1.8	33.3
1968	31.6	-	1.8	33.4
1969	32.7	-	2.2	34.9
1970	40.3	-	2.7	43.0
1971	50.4	-	2.8	53.2
1972	51.1	-	2.4	53.5
1973	51.4	-	3.0	54.4
1974	170.0	-	3.9	173.9
<u>Total</u>				
1967	1,226.4	380.4	165.5	1,772.3
1968	1,431.4	418.4	173.6	2,023.4
1969	1,744.4	462.1	214.3	2,420.8
1970	2,354.6	597.3	400.3	3,352.2
1971	2,643.2	610.4	295.3	3,549.3
1972	2,619.4	583.6	301.0	3,504.0
1973	3,559.8	641.5	349.4	4,550.7
1974	7,781.9	774.0	402.1	8,958.0

Source: Portugal, Diário do Governo, Series I, 1967-1974.

3. ARMED FORCES

19. According to The Military Balance 1973-1974, d/ Portugal has an estimated 204,000 men in the armed forces. These include 170,500 in the army, 18,000 in the navy (including 3,300 marines) and 16,000 in the air force. The number of troops engaged in the overseas Territories has been variously estimated in published sources at 180,000 to 230,000, with 55,000 to 80,000 in Angola, plus special local forces ranging from 10,000 to 20,000; 60,000 in Mozambique, plus special local forces, totalling some 20,000; and some 3,000 troops in Cape Verde. An article in The Guardian (Manchester) of 26 April 1974 attributed the higher figure for the number of troops in Angola to a former Portuguese chief of staff.

20. In March 1974, 10,000 troops stationed in Angola were transferred to Mozambique to fight the liberation forces in the central region (Beira and Vila Pery districts), where the white settlers were becoming increasingly insecure and dissatisfied with the running of the war.

21. The number of troops remaining in Portugal, according to an international source, was estimated at no more than 8,000.

Army

22. As already reported, e/ the army is composed of 2 tank regiments; 8 cavalry regiments; 35 infantry regiments; and 17 coastal artillery regiments. In addition, there are 3 anti-aircraft artillery, 8 engineering and 8 signal battalions.

23. The equipment includes M-47 and M-4 medium tanks, M-41 light tankers, Humber Mark IV and EBR-75 armoured cars; AML-60 scout cars; FU-1609 and M-16 half-track armoured personnel carriers; 105 mm and 140 mm howitzers; and coastal and anti-aircraft artillery.

Navy

24. In 1973, the Portuguese Navy comprised 149 vessels, including 66 landing craft, 6 corvettes, 24 patrol vessels, 8 frigates, 4 submarines, as well as 4 ocean and 12 coastal minesweepers. Naval personnel was estimated to number 18,000, including 3,300 marines.

25. Patrol launches and landing craft are reportedly used in the inland waterways of Angola, Mozambique and especially Guinea-Bissau. Patrol launches have been active on the Mozambique side of Lake Nyassa. Commercial ships are also requisitioned as troop carriers.

d/ The Military Balance, 1973-1974 (London, The International Institute for Strategic Studies).

e/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023 (Rev. IV)), chap. V, annex, appendix I, paras. 20-21.

26. In April 1974, a bomb exploded in the Niassa, which was carrying over 1,000 troops on board and about to sail from Lisbon to Guinea-Bissau. There were no casualties.

Air force

27. The following table showing the structure of the Portuguese Air Force is from The Military Balance, 1973-1974 which, previously, had only published the number of combat aircraft and squadrons, without detailed information, on the actual number of aircraft in each squadron. f/

Table 3

Portugal: air force weapons system, 1973-1974

	<u>Squadrons</u>	<u>Aircraft</u>
Combat aircraft, total		152
Light bomber	2	
B-26 Invaders		6
PV-2 Harpoons		10
Fighter bomber	1	
F-84G		20
Fighter ground attack	2	
G-91		40
Interceptor	2	
F-86		40
Counter-insurgency flight	6	
T-6		24
Maritime patrol	1	
P-2V5		12
Transport planes, total		69
of which: Noratlas		24
C-47		20
DC-6		10
C-45		15
Reconnaissance trainers, total		73
of which:		
T-33		13
T-37		25
T-6		35

f/ Ibid., table 5.

Table 3 (continued)

	<u>Squadrons</u>	<u>Aircraft</u>
Other aircraft:		
DO-27		11
Alouette II/III helicopters		100
SA 330 Puma helicopters		12

Source: The Military Balance 1973-1974.

4. ROLE OF THE CIVIL AVIATION IN MOZAMBIQUE

28. In October 1973, Mozambique had eight district airports of international standard, suitable for jet aircraft of the Boeing-737 type: Lourenço Marques and Beira, which since July 1973 began receiving Boeing-747 jets; Nampula; Porto Amélia; Mocímboa da Praia; Tete; Vila Cabral; and Quelimane. An airport of similar standard is under construction in Vila Pery, at an estimated cost of 29 million escudos, and a new airport is scheduled to be built at Boane, Lourenço Marques, at an estimated cost of 1,000 million escudos.

29. The Directorate of Civil Aviation was expected to spend more than 130 million escudos from June 1973 to the end of 1974 on the expansion of airports at Tete, Vila Cabral, Porto Amélia and António Mesas. The construction of 12 heliports in various parts of the Territory is also under consideration. In October 1973, there were already two heliports nearing completion, at Namaacha and Boane, and work was scheduled to begin at Magua, Moamba and Manhica.

30. In October 1973, the Mozambique domestic airline, Direcção de Exploração de Transportes Aéreos (DETA), was reported to be considering the purchase of a fourth Boeing-737 transport plane. The Export-Import Bank and the Manufacturers Hanover Trust Company of New York were each reported to have lent \$US 2.7 million to finance the purchase of the plane, which was delivered in November 1973.

31. According to a Portuguese source, work on the construction of a plant for the production of aircraft, ^{g/} a project estimated at 80 million escudos, is proceeding satisfactorily. The plant, which is expected to begin production in 1975, will have an annual capacity of 40 units, and is being financed by Portuguese, United States and South African capital.

^{g/} Ibid., para. 30.

SOUTHERN RHODESIA

INTRODUCTION

1. This paper analyses the military establishment of Southern Rhodesia as it has been reorganized since 1963, its response to the African guerrilla war, its repressive methods and strategy of operation. The paper also briefly reviews the military co-operation between South Africa, Southern Rhodesia and Portugal (see also A/9623/Add.2, annex, paras. 9-69).

1. MILITARY ESTABLISHMENT: BACKGROUND

2. At the time of the dissolution of the Federation of Rhodesia and Nyasaland, agreements were reached between the Territories and the United Kingdom of Great Britain and Northern Ireland providing for the disposition of the Federation's armed forces. Southern Rhodesia received the Royal Rhodesian Air Force which was to be slightly reduced in strength to about 75 aircraft and about 900 men; a squadron of the Special Air Services Regiment of about 150 fully trained parachute commandos; a regular army of two brigades, each consisting of a regular infantry battalion; and an active territorial battalion, bringing the total strength of the regular army for Southern Rhodesia to about 3,400. a/ It should be noted that, of the three Territories of the Federation, Southern Rhodesia received a regular army of just under one half of the total strength of the regular army of the former Federation.

3. This was the military establishment which Southern Rhodesia possessed at the time of the unilateral declaration of independence on 11 November 1965. Table 1 below shows the composition of the Southern Rhodesian Army at that time, and table 5 below compares the composition of the Southern Rhodesian Air Force at the same time with that in 1973.

Table 1

Southern Rhodesia: army personnel at 11 November 1965

	<u>Europeans</u>	<u>Africans</u>
Regular army		
Special Air Services Squadron	150	-
Rhodesian Light Infantry	2,400	-
Rhodesian African Rifles	<u>a/</u>	1,000
Territorial Force (reserve)	<u>4,000</u>	<u>-</u>
	6,550	1,000

Source: Compiled from press reports, including Africa Confidential, 1965, No. 15; The Guardian, 18 November 1965; and The Rhodesian Herald, 28 November 1972.

a/ White officers.

a/ Official Records of the General Assembly, Nineteenth Session, Annexes, annex No. 8 (part I, document A/5800/Rev.1, chap. III, para. 33.

4. Since the Southern Rhodesian police force has paramilitary functions, it is appropriate to include the force in a report on the military of Southern Rhodesia. During the existence of the Federation of Rhodesia and Nyasaland, the police force was under the jurisdiction of the territorial Governments. The dissolution of the Federation therefore did not affect the police force of Southern Rhodesia. The name of the force, the British South Africa Police (BSAP) has been retained since the 1890s, when the Territory was occupied by the British South Africa Company. The strength of the police force at the time of the unilateral declaration of independence is shown in table 2 below.

Table 2

Southern Rhodesia: police personnel at 11 November 1965

	<u>Europeans</u>	<u>Africans</u>	<u>Total</u>
Active police	2 072	4 943	7 015
Reserve police	<u>19 586</u>	<u>6 153</u>	<u>25 739</u>
Total	21 658	11 096	32 754

Source: Compiled from press reports, including Africa Confidential, 1965, No. 15; The Guardian, 18 November 1965; and The Rhodesian Herald, 28 November 1972.

2. STRENGTHENING OF THE ARMED FORCES

Reorganization

5. The Southern Rhodesian military forces were first tested when they were engaged in battle with the guerrilla force of the Zimbabwe African National Union (ZANU) in what has come to be known as the Sinoia Battle in April 1966. Thereafter, the Rhodesian Light Infantry, the Rhodesian African Rifles and the Special Air Services were organized on a counter-insurgency basis. The Southern Rhodesian Air Force has also played a major role in dealing with the guerrilla situation. A recent report published by the International Institute for Strategic Studies, notes that the Southern Rhodesian Air Force's "combination of strike, bomber, reconnaissance, fixed and rotary wing transport has constituted an adequate force for suppressing past and present levels of insurgency in Rhodesia". b/

6. In the reorganization of its armed forces following the Sinoia battle, the illegal régime aimed at accomplishing three objectives:

b/ Anthony R. Wilkinson, Insurgency in Rhodesia 1957-1973: An Account and Assessment, Adelphi Paper, 100 (London, The International Institute for Strategic Studies, Autumn 1973), p. 37.

- (a) To increase the total manpower of the armed forces;
- (b) To retain the armed forces for guerrilla situations; and
- (c) To acquire more aircraft, arms, ammunition and spare parts.

Thus, in 1966 the period of training was increased from 137 days to 245 days for all European males between the ages of 18 and 25 years. On 30 January 1969, Mr. Jack Howman, the illegal régime's "Minister of Defence" announced that the Special Air Services Squadron was to be doubled and the Rhodesian Light Infantry was to be increased. It was decided at that time not to increase the Rhodesian African Rifles. The Territorial Force was increased to 10,000 and the air force from 900 to 1,200 men.

7. In 1972, the illegal régime increased national service training for all males between the ages of 18 and 25 years from 245 days to 365 days. Until the intensification and success of guerrilla activities in 1973, however, national service for European males did not necessarily mean that they would be called up for duty. In fact, the report of the "Secretary of Defence" for 1970 indicated that recruitment for the regular army had dropped by 15 per cent, and in 1971 the report of the "Chief of the General Staff" noted that recruitment had dropped by 25 per cent, compared with the previous two years.

8. In 1969, the illegal régime began to concentrate on building and reorganizing the territorial forces. All white males who had completed their national service training were assigned to territorial battalions for three years of continued part-time training. These territorial battalions were and still are the reserve units of the Southern Rhodesian Army. They are divided into two groups: active territorial battalions based in the cities, and reserve battalions based in country districts. When the illegal régime was confronted with intensified guerrilla activities in 1973, it made extensive call-ups of the territorial forces including older members ranging from 38 to 50 years of age.

9. At the end of 1973, the illegal régime announced a 100 per cent increase in the number of persons called up by the army, the mobilization of all the graduates of secondary schools and the call-up of all reservists. Recruitment for the regular army was intensified for both troops and officers, and salaries were increased. According to Major Lamprecht of the Southern Rhodesian Army, this drive has attracted a number of ex-soldiers "but generally the school-leavers response has not been as good as what it has been in previous years".

10. These efforts have, however, increased the total manpower of the Southern Rhodesian armed forces as indicated in table 4 below. Nevertheless, as "Prime Minister" Ian Smith said in February 1974:

"There is no simple answer to the problem of guerrilla warfare. Predictions have been made in the past but, because of unforeseen circumstances, these predictions have gone by the board. I admit it has taken longer than we anticipated."

In deciding to enlarge the army, the illegal régime is attempting to double the size of national service intakes. Men over 25 years of age who have lived in the country for at least five years and do not have current military commitments are now subject to call-up for military duty. These decisions are tantamount to arming the entire adult European male population of Southern Rhodesia. The régime has also decided to create a second battalion of the Rhodesian African Rifles to augment the regular army.

11. The reported present military establishment of the illegal régime is shown in tables 3, 4 and 5 below.

Retraining

12. In the early encounters between the Southern Rhodesian armed forces and the African freedom fighters, the régime put the burden of its operations on the Rhodesian African Rifles, the only all-African force with white officers, on the ground that the European soldiers were not used to the conditions under which they were operating. In 1968, however, some units of the Rhodesian African Rifles mutinied in the war zone. Henceforth the régime began putting European soldiers through "economic training" and anti-guerrilla operations training. Guerrilla warfare became a major theme at the School of Infantry at Gwelo where the Southern Rhodesian Army trains its officer cadets.

13. Some reports suggest that despite its desire to create another battalion of the Rhodesian African Rifles, the illegal régime distrusts African soldiers. This distrust was accentuated when six African non-commissioned officers mutinied in the war zone in late 1973. They were arrested and are presumably awaiting trial. The illegal régime has instructed all Europeans to "avoid discussing security matters in front of African staff". It is doubtful whether the illegal régime would entrust African soldiers with "security matters". Thus, the burden of the régime's guerrilla operations will continue increasingly to be borne by the European soldiers, although reports indicate that the régime might arm selected Africans in the rural areas with shotguns.

Acquisition of arms, ammunition and spare parts

14. As indicated in table 5 below, most of the aircraft of the Rhodesian Air Force were obsolete at the time of the unilateral declaration of independence. This posed the problem of their replacement and/or of their spare parts. In 1967, a "Defence Procurement Board" was set up to acquire parts. Despite the illegal régime's apprehension concerning the aircraft situation until a political solution had been reached, the Southern Rhodesian Air Force has continued to operate efficiently against the African freedom fighters.

15. In December 1973, reports indicated that the Southern Rhodesian Army had bought a number of French Panhard armoured cars which had been made under licence

Table 3

Southern Rhodesia: army personnel and armaments, 1973

A. Equipment

20 Ferret Scout cars
25 pdr gun howitzers
Model 56 105 mm pack howitzers
Light tanks
Armoured personnel carriers
Armoured cars

B. Personnel

	<u>Regular army</u>	<u>Territorial Force</u>	<u>Total</u>
Europeans	2 500	10 000	12 500
Africans	1 000	-	1 000
Total	3 500	10 000	13 500

C. Manpower formation of the army

<u>Unit</u>	<u>Number</u>	<u>Composition</u>
Infantry battalions	2	One European infantry battalion and one African battalion, the Rhodesian African Rifles, with white officers
Special Air Service Squadrons	2	Europeans
Artillery battery	1	"
Engineer Squadron	1	"

Source: The Military Balance, 1973-1974 (London, The International Institute for Strategic Studies).

Southern Rhodesia: paramilitary force, 1973

	<u>Europeans</u>	<u>Africans</u>	<u>Total</u>
Active police	2 700	5 300	8 000
Reserve police	<u>26 200</u>	<u>8 800</u>	<u>35 000</u>
Total	28 900	14 100	43 000

Source: The Military Balance, 1973-1974 (London, The International Institute for Strategic Studies).

Table 5

Southern Rhodesia: Air Force, 1965 and 1973

A. Manpower

	<u>1965</u>	<u>1973</u>
Europeans	900	1 200
Africans	-	-

B. Units and aircraft

<u>Unit</u>	<u>Type of aircraft</u>	<u>Nationality</u>	<u>1965</u>		<u>1973^{a/}</u>
			<u>Number of aircraft</u>	<u>Date of acquisition</u>	<u>Number of aircraft</u>
Ground Attack Squadron	Hunters FGA9	United Kingdom	12	1963	12
	Vampire FB9	United Kingdom	12	1954	11
Light Bomber Squadron	Canberra B2	United Kingdom	11	1959	10
Reconnaissance Squadron	Provost T-52	United Kingdom	13	1954	12
Armed Training Squadron	AL-60F5	Italy	-	-	7
	Canberra T4	United Kingdom	-	-	3
Transport Squadron	C 47	United States	...	1959	4
	Beech 55 baron	United States	-	-	1
Helicopter Squadron	Alouette III	France	8	1962	8

Source: The Military Balance, 1973-1974 (London, The International Institute for Strategic Studies); Africa Confidential, 1965, No. 15; The Guardian, 18 November 1965; and The Rhodesian Herald, 28 November 1972.

^{a/} The dates of acquisition of aircraft added after 1965 are unknown.

in South Africa. The vehicles have a 90 mm gun and two machine guns mounted on the turret. It is reported that the sale was made without the knowledge of the parent French company or of the French Government. According to an article in The Washington Post, South Africa has also provided the Southern Rhodesian Army with equipment, arms and ammunition, including 7.62 mm FN rifles and trucks.

3. PARAMILITARY FUNCTIONS OF THE POLICE

16. Since the days of the occupation of Southern Rhodesia by white settlers, BSAP has always performed paramilitary functions. In the régime's operations against the guerrillas, BSAP has become the nerve centre of what the régime calls "civil defence". Civil defence aid committees have been established in all police districts throughout Southern Rhodesia; they consist of a district commissioner, an area committee and a zone committee, whose function is to teach the white population in their areas the rudiments of anti-guerrilla operations. They have also armed the European civilian population and taught them how to counteract routine guerrilla action.

17. In February 1974, senior police officers and district commissioners were given additional powers to force African residents in areas suspected of harbouring guerrillas to build and maintain roads, fences, bridges and dams. They were also empowered to control food supplies so that food would not fall into the hands of guerrillas, to deal summarily with persons who behave in a contemptuous manner towards them and to set up summary magistrates courts "as and when the need arises". The purpose of these powers is to intimidate the African population so that it does not support the guerrilla efforts. These powers were implemented in February 1974 when the security forces destroyed the village of Musiwa near Bindura, including the crops, and sold the village cattle. The villagers had been suspected of feeding and sheltering some guerrillas.

4. CO-ORDINATION OF CIVILIAN AND MILITARY EFFORTS

18. Nearly every aspect of life in Southern Rhodesia has been placed on a war footing. The illegal régime has appointed Mr. Wickens de Kock, the former "Deputy Minister of Justice, Law and Order", to be "Deputy Minister for Civil and Security Co-ordination" working from the "Prime Minister's Office". His functions are to co-ordinate the requirements of security forces and administration. According to a report, he sees his functions as follows:

"For example, a vast road-building programme is taking place in the north-eastern border area. The road-building programme has to meet the requirements of the security forces and will also have to fit in with the needs of future development in the north-eastern border area. Therefore, I would not take any executive powers but it will be up to the Ministry of Roads to implement the finalized programme as agreed to by both the military and the civil administration."

19 In this case he would supervise the preparation of the "finalized programme". He is also responsible for co-ordinating the activities of the various branches of the security forces.

5. MILITARY EXPENDITURE

20. Southern Rhodesian military expenditure has been steadily increased since 1964. The illegal régime's appropriations for the joint military service since 1964 are shown in table 6 below; however, the data obviously cannot be verified. The estimated allocations for all security forces of Southern Rhodesia for 1973/74 have been increased by almost \$R 10 million c/ over the allocations of 1972/73. This is by far the largest increase for a single year since 1964.

Table 6

Southern Rhodesia: annual appropriations for the
armed forces and police, 1964-1974

(thousand Southern Rhodesian dollars)

<u>Year</u>	<u>Army</u>	<u>Air force</u>	<u>Police</u>	<u>Total</u>
1964/65	6,038	5,834	10,348	22,220
1965/66	6,212	5,810	10,902	22,924
1966/67	7,742	5,228	12,216	25,086
1967/68	8,590	5,594	12,788	26,972
1968/69	15,400 <u>a/</u>		14,000	29,400
1969/70	10,460	6,624	15,051	32,135
1970/71	10,889	8,403	15,425	34,717
1971/72	12,070	7,502	16,886	36,459
1972/73	15,316	9,684	17,856	42,856
1973/74	30,940 <u>a/</u>		22,039	52,979

Source: Southern Rhodesia, Budget statements by the Minister of Finance (Salisbury, Government Printers) for the years indicated.

a/ Combined estimates for army and air force.

6. MILITARY ALLIANCE WITH SOUTH AFRICA AND PORTUGAL

21. The illegal régime has established "friendly co-operation" on security matters with Portugal and South Africa. According to General Basto Machado, the Commander-in-Chief of the Portuguese Army in Mozambique, there is no military

c/ One Southern Rhodesian dollar (\$R 1.00) equals approximately \$US 1.67 or £0.65.

alliance between the three régimes but "what there is, is good neighbourliness". This "good neighbourliness" has taken a number of forms. A series of top-level consultations between the representatives of the security branches of the three régimes meet at a fairly regular interval to exchange, inter alia, intelligence information. Further, there is a "hot pursuit pact" between the Portuguese and the Southern Rhodesians, whereby the latter's security forces may cross into Mozambique when in "hot pursuit" of African guerrillas. Portuguese security forces may cross into Southern Rhodesia for the same purpose.

22. Since August 1967, South Africa has established a military presence in Southern Rhodesia. In 1968, South Africa sent about 3,000 paramilitary police into Southern Rhodesia to support the illegal régime in its guerrilla operations. Since then, the number has fluctuated. Between 1970 and 1972, however, the number of South African paramilitary police in Southern Rhodesia was probably below 3,000, but, in 1973, the number was reported to have increased to about 6,000. In March 1974, when at least four South African policemen were killed in Southern Rhodesia by Zimbabwe guerrillas, South Africa is said to have flown more police into Southern Rhodesia.

23. It has also been reported that South Africa is secretly supplying considerable financial aid to the illegal régime to help it suppress guerrilla operations.

7. MILITARY STRATEGY

24. The strategy against guerrilla operations is based on two elements. First, the illegal régime would like to eliminate the guerrillas in the shortest possible time through the utilization of the regular armed forces. Second, the illegal régime would like to win, if possible, "the hearts and minds" of the population. If it fails to win African support, it aims to deny the guerrillas, by all means, any support the African people might wish to give them.

25. Since December 1972, the armed forces have been mobilized to "wipe out" the guerrilla units which have infiltrated the country. The illegal régime, on the one hand, and ZANU and the Zimbabwe African People's Union (ZAPU), on the other hand, have both stated that the fighting has been bloody. It has not been possible to obtain accurate figures on the casualties of either side of the conflict.

26. According to Major-General R. R. J. Putterill, the former Chief of Staff of the Southern Rhodesian Army, it has become a matter of extreme urgency for Southern Rhodesia to win the trust of the Africans if it is to win the fight against the guerrillas. He added that African support for the illegal régime was the missing ingredient in the military strategy of Southern Rhodesia. It has now become apparent that African support is not forthcoming to the illegal régime, which has begun to create a "no-go" area in north-eastern Southern Rhodesia where guerrilla activities have been more successful. From 8,000 to 20,000 Africans, according to reports, have been evacuated from their homes in the "no-go" areas and resettled in strongholds called "protected areas". Each stronghold covers 50 acres and accommodates from 1,500 to 2,000 Africans. According to reports, the "no-go" area is about 200 miles long and as much as 10 miles wide in some areas. Any African seen inside the "no-go" area may be shot on sight by the security forces.

Appendix III

NAMIBIA

INTRODUCTION

1. Information concerning the military activities of the South African occupation forces in Namibia and military arrangements concerning Namibia between South Africa and other countries up to the end of 1972 is contained in previous reports of the Special Committee on this subject. a/ The present paper deals with these activities during 1973 (see also A/9623/Add.3).

2. The strategic military importance of Namibia to South Africa cannot be over-emphasized. Through its occupation of Namibia, South Africa maintains a buffer between itself and Angola, where African liberation forces operate, and ensures an uninterrupted South African military and naval presence along the whole southern coastline of Africa from Angola to Mozambique.

1. SOUTH AFRICAN MILITARY BUDGET

3. For the financial year 1973/74, the South African military budget was reported to be R 481 million. b/ This represented a tenfold increase over 1960, the year of the Sharpeville massacre, when South Africa began an accelerated build-up of its military forces.

2. SOUTH AFRICAN MILITARY ESTABLISHMENT

4. As in the past, no information is available which would permit an accurate breakdown of the South African military forces between those units stationed in Namibia and those stationed in South Africa. The following paragraphs therefore refer to the South African military establishment as a whole.

5. The composition of the South African military establishment in 1972/73 is shown in table 1 below. Although new data are not yet available for 1973/74, there have been indications in press reports that South Africa is continuing to strengthen its military capability. In a statement before the House of Assembly in April 1973, for instance, Mr. P. W. Botha, the South African Minister of Defence, said that the South Africa Defence Force possessed a "Strike Force" and that steps were being taken to expand the scope of this unit.

a/ For the most recent, see Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 23 (A/8423/Rev.1), chap. II, annex, appendix II; *ibid.*, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. VI, annex, appendix III; *ibid.*, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix III.

b/ One rand (R 1.00) equalled \$US 1.49 at 24 April 1974.

Table 1

South Africa: armed forces and armaments, 1966/67 and 1972/73 a/

	<u>1966/67</u>	<u>1972/73</u>
<u>Personnel</u>		
Army: Regular (volunteers)	5,700	10,000
Citizen force (conscripts)	10,500	22,000 <u>b/</u>
Reservists	55,000	80,000
Navy: Regular	3,000	2,300
Reservists	...	9,000
Air Force: Regular	3,000	5,000
Reservists	...	3,000
Paramilitary forces: Commandos (part-time militia)	51,500	75,000
"Anti-terrorist" police	-	3,000 <u>b/</u>
<u>Armaments</u>		
Army: Tanks (all types)	150 <u>c/</u>	120
Armoured cars	...	850
Armoured personnel carriers	-	250
Navy: Submarines	-	3
Destroyers and frigates	8	6
Minesweepers	12	4
Other vessels	13	6
Navy citizen force destroyers and frigates	-	5
Navy citizen force minesweepers	-	7
Air Force (regular):		
Bombers, fighter bombers, fighters and interceptors	67 <u>c/</u>	80
Helicopters	80 <u>c/</u>	100
Transport and other aircraft	56 <u>c/</u>	57
Citizen air force (conscripts):		
Fighters	46 <u>c/</u>	-
Light aircraft	250 <u>c/</u>	260 <u>d/</u>

Table 1 (continued)

South Africa: armed forces and armaments, 1966/67 and 1972/73

	<u>1966/67</u>	<u>1972/73</u>
<u>Armaments (continued)</u>		
Surface-to-air missiles	-	...
Paramilitary forces:		
Kommando light aircraft	250 <u>e/</u>	...
Police armoured cars and/or armoured personnel carriers	80 <u>c/</u>	80 <u>b/</u>

Source: The Military Balance (London, The International Institute for Strategic Studies), for the years indicated.

a/ Military expenditure for 1966/67 and 1972/73 amounted to R 256.0 million and R. 361.0 million respectively.

b/ 1971/72.

c/ 1968/69.

d/ Being introduced in 1972/73.

e/ Estimated, privately owned.

6. It was reported in the press that Coloured, Indian and African volunteers were being sought for the South African Army; towards the end of 1973, 11 Coloured soldiers were reported to be starting the same officers' training course as that given to whites. This was said to be the first time in the history of South Africa that any non-whites have been trained as army officers.

7. Mr. B. J. Vorster, the South African Prime Minister, was quoted in August 1973 as stating that "tribesmen" in Namibia, following their own request, might soon be "invited to take an active part in operations against terrorists". If this were done, he said, the "tribesmen" would be "properly trained and armed". South African sources have implied that this request appears to have been made at a meeting of the Prime Minister's "Advisory Council for South West Africa", held in Johannesburg in August 1973.

8. In May 1973, Brigadier-General J. G. van Heerden, the Commander of the Police Training College in Pretoria, stated that the need to deploy South African police units along the frontiers of the country necessitated an increase in those forces. He added that it had become difficult to keep South African police units inside the country up to full strength. He also said that there had been a serious decline in the number of recruits for the training college.

9. Starting in January 1974, a new system of training white reservists was introduced in both South Africa and Namibia. This action followed other related measures, such as the introduction of compulsory military training for schoolboys, the imposition of heavier penalties for whites who fail to report for military service and the strengthening of the Citizen Force (an increasing use of conscription).

3. SOUTH AFRICAN MILITARY AND POLICE PRESENCE IN NAMIBIA

10. As already reported, c/ 7,000 South African members of the Citizen Force and some naval units took part in exercises held in Namibia in 1973. The exercises revealed that the principal South African military bases in Namibia were located at Erongo, Namutoni, Walvis Bay and Windhoek. There is also a base at Katima Mulilo which has been described in several previous reports of the Special Committee.

11. In addition to military forces, it will be recalled that the South African occupation authorities have three types of police force operating in Namibia: (a) the mainly white paramilitary South African Police, operating throughout the Territory; (b) the local police forces of the various municipalities, containing both whites and blacks in their ranks; and (c) the so-called "tribal police" operating in the "homelands" under the control of "tribal authorities". In January 1973, the Police Amendment Act d/ came into effect in Namibia. Under the terms of this Act, a police reserve was to be established consisting of every person below the age of 65 years who had served in the police force in a permanent capacity.

c/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix III, para. 22.

d/ South African Act No. 94 of 1972.

12. In September 1973, 300 "tribal policemen" in Ovamboland were scheduled to take six-week training courses in police discipline, crowd control, action against "terrorists" and the use of fire-arms. In October, a training course for 72 non-white municipal policemen in Windhoek was initiated along lines reported to be similar to that of the Police Training College. Again the press commented that this would be the first time in the history of Namibia that non-white municipal policemen would be trained in the use of pistols and machine pistols.

13. In the same month, the salaries of the municipal Bantu police in Namibia were raised as follows:

	<u>Starting salary</u>	<u>Maximum salary</u>
	(rounded to the nearest rand)	
Constable	59	134
Sergeant	117	170
Senior sergeant	143	199
Chief sergeant	148	234

It may be noted that the starting salary of a constable is more than three times the wage of African mine labourers in Namibia who earn less than R 17 per month. However, the salaries of the municipal Bantu policemen are still below those of white policemen (see also para. 11 above).

14. According to a white paper published in 1973 by the South African Ministry of Defence, the South African Government has been conducting a broad programme for the replacement of obsolete military equipment and the introduction of new models. In the period covering the financial years 1969/70 to 1972/73, R 534 million were spent for these purposes with a further R 280 million being provided for the 1973/74 financial year. A large part of this expenditure was devoted to the purchase of rockets, tanks, guided missiles, military aircraft, including helicopters, and warships from various countries such as France, Italy, Portugal and the United Kingdom of Great Britain and Northern Ireland.

15. Another major part of this expenditure was devoted to the development and manufacture of arms in South Africa, using, in certain cases, licences supplied by foreign countries, particularly France and Italy. The manufacture of aircraft and guided missiles should be noted in this connexion.

16. Regarding the range of arms produced by South Africa, Mr. Botha stated in the latter part of 1972 that South Africa was producing over 100 different types of ammunition, rifles, automatic weapons, rockets, grenades, artillery pieces, armoured personnel carriers and aircraft. This work was being carried out in various installations of the Armaments Development and Production Corporation (ARMSCOR) of South Africa. South Africa was also reported to be producing poisonous gases and uranium (see also A/9623 (part V), annex, appendix IV).

17. In early 1973, South Africa began to receive delivery of 48 French Mirage all-weather ground support fighters (16 of type F1CZ and 32 of type F1AZ). It was reported that, starting in 1977, South Africa would start manufacturing Mirage F1's under licence.

18. In September 1973 it was reported that Rolls Royce, Ltd., of the United Kingdom, in co-operation with the Italian Fiat company, was constructing Viper 632 jet engines to be installed in Aermacchi MB 326K military training aircraft. It was expected that 100 Aermacchis, which can also be used as light military aircraft, would be delivered to the South African Air Force in the course of 1974.

19. The delivery of a group of Westland Wasp helicopters, whose sale by Westland Aircraft, Ltd., of the United Kingdom had been authorized by the United Kingdom Government in 1970, began in November 1973. Around the same time, it was also reported that South African military units were using Puma helicopters during operations in Namibia. The Pumas are troop-transport helicopters manufactured by Westland Aircraft, Ltd., and the Société nationale industrielle aérospatiale of France. Aérospatiale is also reported to be manufacturing the Alouette III helicopter, specifically designed for combat operations. Seventy of these helicopters are reported to be in use by South African military and paramilitary forces.

4. OPERATIONS OF SOUTH AFRICAN MILITARY AND POLICE FORCES IN NAMIBIA AND COUNTER-ATTACKS BY THE NATIONAL LIBERATION MOVEMENT

20. During 1973, statements by South African military and political leaders indicated that they considered that they were already engaged in war in certain areas of Namibia and South Africa. Speaking in the South African House of Assembly in April, Mr. Botha, the Minister of Defence, stated:

"I do not want to spread alarm, but I must state unambiguously that for a long time already we have been engaged in a war of low intensity, and that this situation will probably continue for some considerable time to come."

21. In September, Lieutenant-General Magnus Malan, the Commander of the South African Army, told the Junior Afrikaans Chamber of Commerce in Cape Town:

"You and I and our country are involved in a type of activity - if you want to call it a war, then do so - which is of low and high intensity."

22. Mr. John Craven, an anti-government politician, campaigning as a candidate of the Democratic Party for a seat in the South African Parliament, stated in Amanzimtoti, near Durban, in March 1973, that "terrorist" activities on South Africa's frontiers were increasing, and that losses were being suffered by reservists, drawn from the civilian population, and not only by police units.

23. South African army units, assisted by paramilitary police forces, continued in 1973 to operate against the People's Liberation Army of Namibia (PLAN), which is related to the external wing of the South West Africa People's Organization (SWAPO). In addition, the various police forces operating in Namibia continued to pursue a policy of vigorous and extensive repression of peaceful political activities conducted by the civilian population. These actions, which have been described in detail in the report of the Special Committee to the General Assembly

at its twenty-ninth session (A/9623/Add.3, annex, paras 26-70), were largely directed against the internal wing of SWAPO and the SWAPO Youth League. It will be recalled that the internal wing of SWAPO follows a policy of strict non-violence and, in terms of South African repressive legislation, is not a "banned" organization.

24. In June 1973, it was reported that PLAN fighters had captured an arms and munitions depot during an action against South African troops in the Caprivi Strip. In July, PLAN units were reported to have launched attacks in the Kavango basin area of the Caprivi Strip. The South African base of Mpacha is located near Katima Mulilo, near the point of the Caprivi Strip. As indicated in last year's report of the Special Committee, e/ a highway is being constructed to link this base with the railway network in the interior of Namibia. The highway is being constructed as a tarred road in order to prevent its being mined by PLAN forces.

25. In August, it was reported that over the preceding 12 months, 200 South African police and soldiers had been killed or wounded. At the beginning of 1974, PLAN forces announced the shooting down of a French-built Alouette III helicopter in the Caprivi Strip. In March 1974, PLAN also announced that British-built Westland Wasp helicopters were being used in the northern part of Namibia against PLAN forces.

26. Figures provided officially by the South African authorities attempt to minimize their losses. Following an engagement in the Caprivi Strip in March 1973, the South Africans reported five men lost, whereas PLAN reported 37 men killed on the South African side.

27. In addition to regular military operations, it was reported that South African forces had bombarded villages, poisoned water supplies and set fire to forests and farms. These and other actions of the South African forces in Namibia continued to cause many people to become refugees. Out of an estimated population of 22,000 in the eastern part of the Caprivi Strip, several thousand fled to Zambia and Botswana during 1973.

5. MILITARY CO-OPERATION BETWEEN SOUTH AFRICA AND OTHER COUNTRIES

28. Co-operation between South Africa and France, Italy, Portugal and the United Kingdom relating to the acquisition and development of arms has been described above. Other types of co-operation are described in the following paragraphs.

A. United Kingdom of Great Britain and Northern Ireland

29. In July 1973, a British naval squadron arrived in Cape Town to conduct joint exercises with South African naval units.

e/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix III, para. 28.

30. In November, further joint exercises were held, also in South African waters, with each side providing five ships. On this occasion, a squadron of British Nimrod aircraft also took part, and press reports recalled South Africa's interest in purchasing two squadrons of Nimrods, manufactured by the British Hawker Siddeley Company.

B. Portugal

31. General Joaquim Luz Cunha, then chief of the Portuguese forces in Angola, visited Pretoria in October 1973 to discuss "matters of mutual interest" with Admiral Hugo H. Biermann, the Commandant-General of the South African Defence Force.

C. France

32. South Africa and France appeared to be embarking on a new and closer degree of co-operation.

33. Two French warships paid an official visit to Cape Town from 11 to 15 April 1974, and, at the end of this visit, conducted, for at least 24 hours, some form of joint activity with a South African warship and a French-built South African submarine. This was believed to be the first time in many years that such a joint naval exercise had taken place.

34. A telegram of protest was sent by SWAPO to the French Foreign Minister, stating that the exercise had partly taken place in Namibian territorial waters. According to SWAPO, the activity described above constituted "military collaboration in violation of United Nations resolutions" and had probably continued for some period of time. According to French naval headquarters, the activity was not a case of French-South African naval manoeuvres, but was simply an "exercise".

D. Iran

35. Rear-Admiral A. M. Iraj Sepherd, Director of Technical Services of the Imperial Iranian Navy, visited Admiral J. Johnson, the Chief of the South African Navy, in Simonstown in April 1973.

E. Export of South African arms

36. As was mentioned in last year's report of the Special Committee, f/ South Africa has also been engaged in exporting its locally manufactured arms to other countries. This activity continued in 1973.

f/ Ibid.

6. CO-OPERATION WITH THE NORTH ATLANTIC TREATY ORGANIZATION (NATO)

37. At the 968th meeting of the Special Committee on 2 April 1974, Mr. Moses Garoeb of SWAPO stated:

"We are gravely concerned about persistent reports that some form of military and naval co-operation has been established or is being established by the NATO Supreme Allied Commander, Atlantic (SACLANT) with South Africa and Portugal. This is being done under the guise that it is part of the necessary planning of SACLANT, which is a subsidiary organ of NATO, and is necessary to protect the Cape Route. In our view, this is but a subterfuge to give military and naval support to South Africa and to provide assistance to Portugal in its cruel wars against the peoples of Angola and Mozambique."

38. SWAPO's statement appeared to be confirmed by articles in The Economist, The Times of London and The Guardian (Manchester) to the effect that Admiral Ralph Cousins, the NATO Supreme Allied Commander, Atlantic (SACLANT), had received instructions to study the question of how to protect shipping around the Cape of Good Hope and to prepare a contingency plan for necessary air and naval defences. According to the NATO press officer, the study by SACLANT was authorized in October 1972. Four NATO members (Canada, Denmark, the Netherlands and Norway) were reported by other sources to be "unhappy" concerning this activity.

39. Although the detailed conclusions of the study are not known, The Economist (24 May 1974) reported that "in general terms" the study found that the protection of the southern route around the Cape "was almost beyond the resources of NATO, although it could be made slightly easier by using bases for anti-submarine patrol aircraft in, say, South Africa and Angola".

Appendix IV

SEYCHELLES

INTRODUCTION

1. Basic information concerning military activities and arrangements in the Seychelles is contained in the previous report of the Special Committee. a/ Supplementary information is set out below.

1. "BRITISH INDIAN OCEAN TERRITORY"

2. "The British Indian Ocean Territory", comprising three islands (Aldabra, Farquhar and Desroches) detached from the Seychelles, together with the Chagos Archipelago, formerly part of Mauritius, was established as a separate administrative unit in 1965 to provide a location for military staging facilities which might be constructed by the Governments of the United Kingdom of Great Britain and Northern Ireland or the United States of America. The islands are widely scattered, Diego García, the largest island in the Chagos group, lying at about the middle of the Indian Ocean some 1,200 miles south-west of Sri Lanka and the tip of India. The unit is administered by a Commissioner who is also Governor of the Seychelles.

2. UNITED STATES NAVAL COMMUNICATIONS FACILITY ON DIEGO GARCÍA

3. Under the terms of agreements reached in 1966 and 1972 with the Government of the United Kingdom, b/ the United States Government maintains a naval communications facility on Diego García to provide a link between its defence communication centres in Australia and Ethiopia. The facility, comprising transmitting and receiving services, an anchorage and an airfield with an 8,000 foot runway, associated logistic support and supply and personnel accommodations, was constructed at an estimated cost of \$US 19 million, and is manned by some 375 naval personnel. The United States is responsible for the maintenance of the installation, which may be jointly used by the United Kingdom, as long as the 1966 agreement continues in force (50 years, renewable for another 20 years), or until such time as no part of Diego García is required for the purposes of a naval communications facility.

4. As previously reported, the construction of the United States facility led

a/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix IV.

b/ For details see *ibid.*, Twenty-seventh Session, Supplement No. 23 (A/8723/Rev.1), chap. VI, annex, appendix IV; and *ibid.*, Twenty-eighth Session, Supplement No. 23, (A/9023/Rev.1), chap. V, annex, appendix IV.

to the closing of the copra plantations on Diego García and the islands of Salomon and Peros Banos (also in the Chagos group) and the evacuation of the 128 inhabitants to Mauritius for resettlement.

3. PROPOSED EXPANSION OF UNITED STATES PRESENCE IN THE INDIAN OCEAN

5. In February 1974, it was reported that the Governments of the United Kingdom and the United States had agreed in principle to expand the United States facility on Diego García to make it a limited support base for the supply and refuelling of warships, including aircraft carriers, and to provide a base for aerial reconnaissance over the western stretches of the Indian Ocean. If enlarged according to plan, the base would be the first permanent foreign military installation in the Indian Ocean.

6. In a statement in the House of Commons on 5 February 1974, Mr. Julian Amery, Minister of State in the Foreign and Commonwealth Office, said that the Government of the United Kingdom (then under Mr. Edward Heath) welcomed the expansion of the United States facilities on Diego García, which would also be available for British use, as it had long felt it was desirable in the general western interest to balance other activities in the Indian Ocean area (see also para. 14 below). He added that the two Governments would consult periodically on joint objectives, policies and activities in the area.

7. In March 1974, speaking before the Subcommittee on the Near East and South Asia of the House Committee on Foreign Affairs, the Director of the Bureau of Politico-Military Affairs of the United States Department of State said that current United States naval deployments into the Indian Ocean were consistent with the Government's policy of augmenting from time to time the minimal permanent presence it already had there and that United States military presence in the area should contribute to the maintenance of peace by providing a deterrent to the use of force by other Powers. He added that the United States was also concerned with its considerable economic interests in the area, particularly oil, in which investments amounted to some \$US 3,500 million. He said, however, that without underestimating the expanded facilities, these did not represent a major new base of unlimited capacity.

8. Expansion of the facilities, which is expected to take two years and ultimately cost \$US 75 million, involves the lengthening of the airport runway to 12,000 feet, to enable it to service almost any type of aircraft, fully loaded, including tanker planes used to refuel B-52 bombers and cargo aircraft; deepening of the harbour to accommodate large ships, including aircraft carriers; installation of additional fuel storage tanks; provision of maintenance facilities for ships and aircraft; and an increase in military personnel to about 500 to 600 men.

9. In a statement before the United States Senate Armed Services Committee, Admiral Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, reportedly indicated that consideration had also been given to expanding the facilities so that they could accommodate B-52 Strato-Fortress bombers and that the main runway on the

island had been lengthened to enable such aircraft to land. In response to questions, he said, however, that according to actual plans, the runway would not be suitable for "continuous operations" of B-52 aircraft and that there was no intention "to operate or station" such aircraft in the limited support facility. A "clarifying statement" issued by the Department of Defense on 12 March, reportedly at the urging of the Department of State, also emphasized that the Diego García installation would be "for a support facility and not a B-52 bomber base".

10. Following these denials, the Air Force Director of Planning reportedly told the Senate Armed Services Committee on 1 April that the Air Force was also considering placing F-111 bombers at the installation. These bombers, described as the most up-to-date tactical bombers used by the Air Force, have a range of 5,000-6,000 miles and can carry nuclear weapons.

4. REACTIONS TO THE PROPOSED EXPANSION

11. Following announcement of the plans described above, strong opposition to the proposed expansion was voiced by many countries bordering the Indian Ocean, including Australia, India, Indonesia, Madagascar, Mauritius, New Zealand, Pakistan, Sri Lanka and Thailand. On 6 February, Mr. Swaran Singh, Foreign Minister of India, expressed his Government's "total opposition" to such an expansion and said that his Government had voiced its "deep concern" to the Governments of both the United Kingdom and the United States. He added that "such a show of force" would never be "relished" by any country in the region. Subsequently, on 25 March, the Government of Australia sent messages to the Governments of the United States and the Union of Soviet Socialist Republics, appealing to them to "exercise mutual restraint" in the Indian Ocean, the littoral States of which had a long-term objective of making it a zone of peace, freedom and neutrality.

12. In addition, the Government of Mauritius claims that the United Kingdom Government, by granting permission to the United States to expand its facilities on Diego García, is violating the original agreement under which it withdrew the Chagos Archipelago from Mauritian administration. In a statement in April, Mr. Rabindra Murburrun, Mauritian High Commissioner to India, said that the United Kingdom Government had given Mauritius a solemn assurance in 1967 that Diego García would only be used as a communications centre and that, unless this promise was adhered to, his Government would take the issue to the International Court of Justice.

13. Criticism of the plan has also been expressed within the United States. On 28 February, Senator Claiborne Pell of Rhode Island introduced a bill in the United States Senate to forbid the Department of Defense from expanding its facilities on Diego García on the grounds that extending United States influence in the area would "prove costly, unwise and contrary to our long-range national interests". Subsequently, the Senate Armed Services Committee, many of whose members had expressed the fear that extension of the United States military presence in the Indian Ocean would lead to an increase of naval forces and tension

in the area, voted unanimously to defer the decision of whether to grant preliminary appropriations of \$US 29 million for the installation until the entire United States defence budget was considered later in 1974. Press reports suggested that even if the appropriation had passed the Committee, the plan would have been blocked by the Senate Foreign Relations Committee on the grounds that the agreement should be negotiated as a treaty and submitted to Congress for ratification.

14. As a result of international pressure and dissension among the members of the Labour Party in the United Kingdom, it was reported late in March that the new Labour Government might seek to withdraw from the agreement, which had been entered into by its predecessor. Separate reviews of the agreement and its international implications were ordered by both Mr. Roy Mason, the Minister for Defence, and Mr. James Callaghan, the Foreign Secretary.

15. Early in May, talks were started between the representatives of the Governments of the United Kingdom and the United States on the question of the expansion of the facilities on Diego García.

5. GENERAL ASSEMBLY ACTION ON THE INDIAN OCEAN AS A ZONE OF PEACE

16. It will be recalled that the General Assembly, in its resolution 2832 (XXVI) of 16 December 1971, solemnly declared that the Indian Ocean, within limits to be determined, together with the air space above and the ocean floor subjacent thereto, was designated for all time as a zone of peace. It also called upon the great Powers to enter into immediate consultation with the littoral States of the Indian Ocean with a view to halting further escalation and expansion of their military presence in the Indian Ocean and eliminating all bases, military installations and logistical supply facilities, as well as any manifestation of great Power military presence conceived in the context of great Power rivalry.

17. In its resolution 3080 (XXVIII) of 6 December 1973, the General Assembly, inter alia, urged all States to accept the principles and objectives contained in resolution 2832 (XXVI) as a constructive contribution to the strengthening of regional and international security. It also requested the Secretary-General to prepare a factual statement on the military presence of the great Powers in the Indian Ocean in all its aspects, with special reference to their naval deployments as conceived in the context of great Power rivalry, and to submit that statement to the Ad Hoc Committee on the Indian Ocean c/ at an early date.

6. UNITED STATES TRACKING AND TELEMETRY FACILITY ON MAHÉ

18. Under an agreement concluded between the Governments of the United Kingdom and the United States on 30 December 1966, the United States also maintains a tracking and telemetry facility on the island of Mahé. Expenditures by personnel from the tracking station are a significant source of territorial revenue.

c/ The Ad Hoc Committee on the Indian Ocean was established by General Assembly resolution 2992 (XXVII) of 15 December 1972, inter alia, to study practical measures that may be taken in furtherance of Assembly resolution 2832 (XXVI).

Appendix V

GUAM

INTRODUCTION

1. Basic information on military activities and arrangements in Guam up to 1972 is contained in previous reports of the Special Committee. a/ Supplementary information is set out below.
2. As indicated in earlier reports of the Special Committee to the General Assembly, the Territory of Guam, which, since 1950, has been administered by a civilian government under the Organic Act of Guam, 1950, as amended, continues to be an important naval and air force base of the United States of America in the Western Pacific.
3. The United States naval installations on Guam include a major weather station, a supply depot, a ship repair facility and a large communications centre, all of which support the United States Seventh Fleet. There is also a naval air station and a nuclear submarine base. It is reported that the naval strength on the island is about 6,000 men, and the percentage of military personnel among the population is 30 per cent or 30,000. Both the United States Marine Corps and the United States Coast Guard also maintain establishments on the island.
4. It will be recalled that up to 200 B-52 aircraft had been at the Anderson Air Force Base on the northern end of Guam. It was reported, however, that following the end of the United States bombing in Indo-China, the United States had withdrawn more than 100 B-52 bombers from Guam, restoring most of them to their original nuclear striking force mission. Counting smaller withdrawals earlier, this reportedly left 25 B-52 aircraft on Guam. An air force spokesman said, however, that some of the B-52 aircraft sent to the United States mainland would be returned to the base in the Territory. On 17 May, The New York Times reported that six B-52 bombers had left Thailand for Guam and the United States.
5. Mr. Antonio B. Won Pat, the representative of Guam in the United States House of Representatives, said in February 1974 that he had been informed by the United States Department of Defense that the Department of the Army had authorized the transfer from Hawaii to Guam of a reserve engineer company, Company D, Engineer Battalion. It would include 5 officers, 1 warrant officer and 178 enlisted men, a total of 184 positions to be filled from Guam reservists. Although the Military Construction Act of 1973 prohibits any new construction for army reserve facilities until 1975, military officials said that Guam had sufficient facilities to house the new unit and its equipment, which includes a guided-missile frigate, two guided-missile destroyers and three escort ships.

a/ For the most recent, see Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix VI.

1. SELLA BAY PROJECT

6. The long-delayed issue of Sella Bay, its ammunition pier, the airport and land transfers, was reactivated late in December 1973. The Guam Legislature, in a voice vote with just over half of the members present, elected unanimously to adopt a committee report categorically rejecting the Sella Bay agreement. The report concluded that transferring government landholdings in Sella Bay to the United States Department of Defense would be contrary to the best interests of the people of Guam.

7. On the other hand, the United States Navy is strictly enforcing regulations at the naval air station, which also serves as the civilian airport, thus making the expansion of the civilian air terminal impossible. Furthermore, the building of a new civilian airport is difficult because it is hard to find a suitable site not under United States Navy control.

2. MILITARY EXPENDITURES

8. Statistics released by the United States Government indicate a large growth in military expenditures on Guam. In 1973, the total was \$US 229.0 million, compared with \$US 143.8 million in 1972. The total payroll of military personnel on Guam was \$US 65.2 million in 1973. Civilian employees of the military bases had a total payroll of over \$US 43.0 million.

Appendix VI

TRUST TERRITORY OF THE PACIFIC ISLANDS

1. Basic information on the military activities in the Territory is contained in the Special Committee's report to the General Assembly at its twenty-eighth session. a/ The following consists mainly of supplementary information.

2. It was announced in June 1974 that, during negotiations between the Marianas Political Status Commission and a delegation of the Government of the United States of America headed by Ambassador F. Haydn Williams, questions not resolved were whether or not the United States as the Administering Authority concerned could either lease or purchase land which it had requested in the Mariana Islands for military purposes and what the cost would be. The meeting took place from 15 to 31 May. A joint land committee, however, was created to consider specific requirements and terms for United States land acquisition. There was tentative agreement on land requirements concerning several areas:

(a) Farallon de Medinilla, an island of 229 acres (93 hectares) would continue to be made available to the United States for use as a target area;

(b) The Fanapag Harbor area on Saipan where 197 acres (78 hectares) are at present under military retention would be made available for future contingency use by the United States;

(c) In the Isley Field area, on Saipan, some 482 acres (193 hectares) would also be made available for future contingency use by the United States forces;

(d) On Tinian, about 17,475 acres (6,993 hectares) would be made available for the development of a joint service base in accordance with plans newly presented by the United States. These plans reduced the acreage required by approximately 1,200 acres (485 hectares), thereby eliminating the necessity for relocating San José Village.

3. Joint use arrangements for both the New West Field and the rehabilitated San José Harbor in Tinian, with free access to both would also be developed. The rehabilitated harbour would be under the civilian control of the Mariana Islands Government except in times of national emergency. Consistent with military requirements, land would be made available under a land-use arrangement in the San José Harbor area for civilian activities. In addition, there would be maximum civilian use of land on the base itself for agricultural, fishing, recreational and other purposes. This would include access through the base area to northern beaches, as compatible with the military operation of the base.

a/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix VI.

4. The United States has, according to press reports, indicated its intent to relinquish its use rights on all remaining military land in the Northern Mariana Islands not covered by the new agreement, e.g., some 4,691 acres (1,898 hectares). The land would be returned to the public domain not later than the date on which the formal status agreement became effective.

5. No agreement was reached on whether the military lands would be sold outright to the United States or leased, or on how the fair market value would be determined. A committee was named to study the matter.

6. The United States Department of the Interior has notified officials of the Marshall Islands that it has agreed in principle with the request for additional funds made by the displaced residents of Bikini, but that it has not decided on the amount it plans to give them. The people of Bikini have requested varying amounts up to \$US 3 million. b/ They have been living on the island of Kili and had originally planned to return to their partially rehabilitated island in mid-April 1974. They have since decided to postpone their return for at least 90 days unless their monetary claims are met.

b/ The local currency is the United States dollar (\$US).

Appendix VII

PAPUA NEW GUINEA

1. Basic information on military activities and arrangements in Papua New Guinea up to 1972 is contained in previous reports of the Special Committee. a/ Supplementary information is set out below.

2. The obligations accepted by Australia under the Charter of the United Nations and the Trusteeship Agreement require that it remain responsible for the defence of the Territory until independence. The defence forces in Papua New Guinea are constituted and regulated under Australian defence legislation. According to the report of the administering Power for the year ending 30 June 1973, the future development of the defence forces during the period until independence must be shaped, in consultation with Papua New Guinea government ministers, to the needs of that country following independence. It will be recalled that in its resolution 3109 (XXVIII) of 12 December 1973, the General Assembly welcomed the growing involvement of the Government of Papua New Guinea in defence matters and called on the administering Power to continue to expand its consultations with the territorial Government in this regard.

3. The Papua New Guinea Defence Force is comprised of land, maritime and air elements and a fully integrated headquarters, under the command of a commander of the defence force. On 25 April 1974, Mr. Albert Maori Kiki, the Minister for Defence and Foreign Relations of Papua New Guinea, announced in his first defence policy statement to the House of Assembly that the defence force would have a strength of 3,500 uniformed men, with two battalions, a company of engineers, a patrol boat squadron and a landing craft squadron. There are now 3,800 men in the defence force, of whom 3,100 are Papua New Guineans. Mr. Kiki also said that, initially, the cost of the force would be shared by Papua New Guinea and Australia as follows: the Australian Government would cover the personnel costs of Australian servicemen attached to the defence force, the cost of training Papua New Guinean servicemen in Australia and the cost of selected capital projects. The remainder of the bill for the defence force would comprise the Papua New Guinea budget for defence.

4. Mr. Kiki emphasized the separate roles of the defence force and the police force: "The Government decided that the roles of the two forces, their organization, equipment, training and outlook were so different that the nation would be best served by keeping the two forces separate". The main responsibilities of the Papua New Guinea Defence Force would be: defence against external attack, assistance to the police as a last resort in maintaining public order and security internally and contribution to economic development and promotion of national administration and unity.

a/ For the most recent, see Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix VI.

5. The Minister said that the task of transferring the responsibility for defence was not complete but was well under way. He also announced that the Government had decided to restructure civil and military control over the defence force. In future, the Minister would be advised by both the Force Commander and the Senior Civilian Defence Administrator who would be equal in status. According to Mr. Kiki, the Australian Defence Act was unsuitable for Papua New Guinea. New legislation will be drafted and introduced in the House of Assembly during the budget session in September.

6. It was recently reported that New Zealand would start giving military aid to Papua New Guinea. An army captain and an air force flight lieutenant are to take up a two-year tour of duty as lecturers at the Joint Services College at Igam Barracks, Lae. It will be the first time that a country other than Australia has provided defence assistance to Papua New Guinea.

7. In February 1974, two senior local defence force officers were promoted to lieutenant-colonel, the highest rank reached by Papua New Guineans. They are Lieutenant-Colonel T. R. Diro, who will take over command of the First Battalion, Pacific Islands Regiment, and Lieutenant-Colonel B. P. Lova, who will be posted to the new position of Senior Staff Officer, Policy and Planning Branch, at the Headquarters of the Papua New Guinea Defence Force. The two men were the first indigenous officers to graduate from the Australian Army Officer Cadet School of Portsea. After receiving their first commissions in December 1973, they attended the Australian Army Staff College to prepare them for higher command and staff appointments in the defence force.

8. Early in 1974, 11 defence force officers, a corrective institution services officer, an officer of the Royal Papua New Guinea Constabulary and a public servant attended a special course in administration in Australia. The 14-week course was specifically oriented to the future needs of the Territory. The officers have been trained for staff positions in the defence force after independence.

Appendix VIII

TERRITORIES IN THE CARIBBEAN AREA, WITH PARTICULAR REFERENCE TO BERMUDA, TURKS AND CAICOS ISLANDS AND UNITED STATES VIRGIN ISLANDS

INTRODUCTION

1. Basic information on military activities and arrangements in Bermuda, the Turks and Caicos Islands and the United States Virgin Islands up to 1973 is contained in previous reports of the Special Committee. a/ Supplementary information is set out below.

1. GENERAL

2. The largest military installations in the Non-Self-Governing Territories of the Caribbean and Western Atlantic regions are situated in Bermuda, the Turks and Caicos Islands and the United States Virgin Islands, and are operated by the authorities of the United Kingdom of Great Britain and Northern Ireland and/or the United States of America.

3. It will be recalled b/ that the United Kingdom maintained two helicopter-carrying frigates, each with a detachment of Royal Marines, in the Caribbean area during 1973. These ships were occasionally augmented by other units for exercises and trials (see also para. 15 below). Additionally, the United Kingdom stationed a garrison in Belize, consisting of a battalion headquarters, two infantry companies and supporting arms. No information is available at present concerning the numbers, composition and equipment of the United Kingdom armed forces stationed in the Caribbean and Western Atlantic areas.

4. It will also be recalled c/ that at the eighth Commonwealth Caribbean Heads of Government Conference held in Georgetown, Guyana, during April 1973, the Georgetown Accord was signed by all the member States of the Caribbean Free Trade Association (CARIFTA), except Antigua and Montserrat. According to the Accord, a Caribbean community (embracing a Caribbean common market) would be established on 1 August 1973, with the four independent States (Barbados, Guyana, Jamaica and Trinidad and Tobago) participating. The Accord provided for the other six signatories (Belize, Dominica, Grenada, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent) to become members of the proposed community by 1 May 1974.

a/ For the most recent, see Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix V.

b/ Ibid., para. 3.

c/ Ibid., para. 4.

5. The treaty establishing the Caribbean Community (CARICOM) was signed by the four independent States at Chaguaramas, Trinidad and Tobago, on 4 July 1973. CARICOM was officially brought into operation on 1 August. During that month, Prime Minister Lynden O. Pindling of the Bahamas was reported to have expressed interest in his country's having some form of association with, or even becoming a full member of, CARICOM. With the approval of its legislature, Montserrat joined five other members of CARIFTA (Belize, Dominica, Grenada, St. Lucia and St. Vincent) in signing the treaty at Castries, St. Lucia, on 17 April 1974. By doing so, these countries qualified for membership in CARICOM from 1 May. St. Kitts-Nevis-Anguilla, another member of CARIFTA, did not sign the treaty. Its Premier explained that the United Kingdom Government would not allow his Government to do so on behalf of the island of Anguilla. d/ However, he asked members of CARICOM to try to find a way to include his country in it without formal membership. Later, the signatory Governments passed a resolution announcing their intention to maintain the closest possible economic relations with the Territory of St. Kitts-Nevis-Anguilla.

6. At the above-mentioned Conference, the delegations of the four independent States adopted a resolution concerning the need for a régime of mutual assistance against external aggression directed against any member of CARICOM. In the resolution, they referred to the standing committee of foreign ministers to be created under the treaty and the preparation of a scheme of mutual assistance designed to secure the political independence and territorial integrity of members of CARICOM and the safety and well-being of their peoples. The delegates of seven other countries (Belize, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia and St. Vincent) expressed the wish to be identified with the spirit expressed in the resolution. e/

7. At the Commonwealth Parliamentary Conference held in London during September 1973, Mr. George Price, the Prime Minister of Belize, stated that there was a need for a "military guarantee to ensure that once Belize or any small Territory under United Kingdom administration became independent, it could continue to be independent". He further stated that the United Kingdom Government might be reluctant to meet such a need, but that the four independent States in CARICOM had agreed on a "mutual defence pact". Therefore, if for no other reason, he considered that Belize should be part of CARICOM.

2. BERMUDA

A. United States military bases

8. As previously noted, f/ the Agreement of 27 March 1941, as amended (1948-1972), between the Governments of the United Kingdom and the United States, provides for

d/ Under the terms of the Anguilla Act, 1971, the United Kingdom Government resumed direct responsibility for the affairs of Anguilla.

e/ Ibid., para. 5.

f/ Ibid., paras. 6-10.

the establishment of two United States military bases in Bermuda, the Naval Air Station (formerly Kindley Air Force Base) and King's Point Naval Station. The two bases occupy 2.297 square miles, or about one tenth of the total area of the Territory.

Naval Air Station

9. This station, the only airfield in Bermuda, was constructed during the Second World War by the United States Government, to which it is leased free of all rents and charges for a period of 99 years ending in 2040. Since 1948, it has been open to civil aircraft, which are handled in a subleased area at the western end of the Station. Both military and civil aircraft use the same runways and technical facilities.

10. On 27 July 1973, Mr. F. J. Barritt, Minister of Marine and Air Services, made a statement in the House of Assembly concerning the recent talks with the United Kingdom Government which he believed to be a significant start in efforts to cope with the rapidly changing aspects of civil aviation. In March, a delegation headed by the then Government Leader (a designation changed to that of Premier by a constitutional amendment of 18 April) had gone to London for discussions with the United Kingdom Government on this and other related matters. Mr. Barritt said that the United Kingdom Government "showed appreciation of the general view expressed by the Bermuda Government that Bermuda wished to have more say about its civil aviation affairs". He added that "it was recognized from the outset that the Bermuda Government could not at this stage have direct control over the existing United Kingdom civil aviation agreements with other countries in so far as they affect Bermuda, since this matter was provided for in the Constitution".

11. It had been mutually agreed, however, to initiate working party discussions between representatives of the two Governments in London in July because, among other things, Bermuda wished to: (a) have an effective voice in any new civil aviation agreements between the United Kingdom and other countries and, by appropriate amendments, in any existing civil aviation agreements in so far as they affected Bermuda; (b) effectively control its own air space to include the operational and technical aspects; and (c) discuss the introduction of new local civil aviation legislation to include airport operations and air transport licensing.

King's Point Naval Station

12. On 10 May 1973, Mr. Donald B. McCue, the United States Consul General in Bermuda, denied a report that the eastern side of the Station was being prepared for return to the Territory. He did not, however, rule out the possibility of discussions on this subject in three to six months. Meanwhile, it was suggested that the United States naval facility in the King's Point area would make an ideal container port and new town to help cope with the problem of decreasing space.

Statement by the United States Secretary of Defense

13. On 30 November 1973, Mr. James R. Schlesinger, the United States Secretary of Defense, said that his Government planned to close some of its overseas military bases in the next two or three months. Subsequently, Mr. McCue and a spokesman for the Naval Air Station pointed out that they had received no notification of any cutbacks for the two United States military bases in Bermuda.

B. United Kingdom military presence and the law

14. The United Kingdom maintains the West Indies Station on Ireland Island under the command of the Senior Naval Officer, West Indies, whose responsibilities include Territories under United Kingdom administration in the Caribbean area.

15. On 31 May 1973, Admiral Sir Edward Ashmore, Commander-in-Chief of the Fleet and also Chairman of the United Kingdom Commanders in Chief Committee (Overseas), was expected to visit Bermuda to hold discussions with the Senior Naval Officer, West Indies. In late August, the HMS Ashanti arrived in Bermuda for four days to relieve the HMS Minerva at the West Indies Station. The HMS Ashanti, a frigate of 3,000-ton displacement, had a complement of 20 officers and 240 ratings. Included in the ship's company was a detachment of Royal Marines.

16. The House of Assembly and the Legislative Council approved the United Kingdom Forces (Jurisdiction of Courts) Act, 1973, on 17 and 27 June 1973 respectively. The Act will give United Kingdom forces stationed in Bermuda the same powers to deal with their own on-base offenders as the Canadian and United States military authorities have. However, such powers will not be extended to cases which are significant to Bermuda. Under the Act, members of the United Kingdom armed forces or their civilian component will not be dealt with by Bermuda courts, if offences are committed against one another or against property leased to the forces.

C. Canadian military exercises and personnel

17. In June 1973, ships and aircraft of the Canadian armed forces joined the Standing Naval Force Atlantic of the North Atlantic Treaty Organization (NATO) for a 10-day exercise in Bermuda waters. Canadian ships participating included two helicopter-carrying destroyers, the fleet replenishment ship and two submarines. Taking part were five ships of the Standing Naval Force Atlantic, representing Canada, the Federal Republic of Germany, the Netherlands, the United Kingdom and the United States. Trackers and long-range Argus aircraft from Canada were joined by 100 jet fighters and T-33 aircraft of the Canadian armed forces during the exercise. Aircraft of the United States Navy were also involved.

18. In August and September, four Tracker and four Argus aircraft and the submarine HMCS Ondodaga, all from the Canadian armed forces, conducted a two-week exercise in Bermuda waters. Some 250 in personnel were involved in the exercise. In October, units of the Canadian armed forces, including four Argus aircraft and the submarine HMCS Okanagan, held a two-week exercise. Towards the end of the same

month, 250 men, the last of the almost 1,000 members of the Canadian armed forces who had participated in the exercises since August, returned to Canada.

19. The largest Canadian naval exercise undertaken in 1973 in Bermuda waters took place from 26 November to 12 December. Approximately 3,000 members of the Canadian armed forces participated. Involved in the exercise were a number of ships. Surface units taking part were the fleet replenishment ship, three "230" class destroyers, four helicopter-carrying destroyers and two other destroyers. In addition, there were two Canadian submarines and one United Kingdom frigate. These ships exercised with Canadian air units. Also joining the exercise were the United States Navy Orion patrol aircraft.

20. As in the past, the United States Government allowed the above-mentioned Canadian military aircraft to operate from the Naval Air Station while they were participating in the 1973 exercises. These exercises were reported to be mainly designed to give the men involved operational experience in all phases of anti-submarine warfare tactics and procedures.

21. In a public statement made at the end of November, Major Stephen Zolmor, Commanding Officer of the Canadian Armed Forces in the Territory, said that Canadian forces were spending \$B 1 million g/ a year in Bermuda. He expressed the hope that a housing system for Canadian military personnel would be developed with the objective of lightening the already heavy burden on the Bermuda housing market.

3. TURKS AND CAICOS ISLANDS

22. The United States maintains several military installations in the Turks and Caicos Islands. Among these are a Coast Guard station on South Caicos and a naval facility and an air force base (including a telemetry station) on Grand Turk (575 acres). In 1971, the United States authorities agreed to open the air force base to civil aircraft. The base is the only airfield in the Territory, apart from a number of landing strips.

23. In June 1973, it was reported that in the light of discussions held between the Governments of the Bahamas, the United Kingdom and the United States, the Royal Navy had expressed its willingness to continue to provide guard ships for the waters of the Bahamas and the Turks and Caicos Islands. If requested by the United Kingdom Government on behalf of the Government of the Turks and Caicos Islands, there would also be a review of the Agreement concerning the three United States bases in the Territory. Matters likely to come under review would be the provision of additional services by the bases (in lieu of rent) which would include facilities at South Pier and extended use of the airport on Grand Turk. The two main bases on that island are reportedly undergoing extensive conversion and repair.

g/ The Bermuda dollar is valued at \$US 1.00.

24. In November, Major Paul Gober, Commanding Officer of the United States Air Force Base on Grand Turk, was reported to be holding discussions with his superior officers on various matters affecting relations between the military bases in the Territory and its Government and people. In the context of the continuing review of the Bases Agreement, which is due to expire in 1977 unless specifically renewed by common consent, two special points would be discussed: the use of the South Pier on Grand Turk, and access to duty-free establishments on the bases by the off-base personnel, which certain hoteliers and traders on Grand Turk claim would have an adverse effect on their business. It was also reported that the Governor had met with Major Gober and hoteliers to consider this question.

4. UNITED STATES VIRGIN ISLANDS

25. Early in 1967, the United States transferred its former naval base on St. Thomas (196.3 acres) to the territorial Government but retained the right to reoccupy the facilities at the base. h/ On 19 January 1974, Rear-Admiral James D. Ramage, co-ordinator of the annual United States Atlantic Fleet Training Exercise, announced that United States naval activities in the Territory would support 64 surface ships, 3 submarines and over 100 aircraft from the navies of six nations during the training period from 21 January to 1 March. Two groups of NATO ships would participate in the exercise. The first group would comprise five ships of the Standing Naval Force Atlantic, representing Canada, the Federal Republic of Germany, the Netherlands, the United Kingdom and the United States. The second group, to be composed of various fleet surface and air units from the Netherlands and the United Kingdom, would receive training in amphibious warfare procedures. Brazil would also take part in the exercise. During the training period, fleet and air units were expected to take advantage of the operating areas and a multitude of support services available at the Roosevelt Roads Naval Station on St. Thomas.

h/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 23 (A/9023/Rev.1), chap. V, annex, appendix V, para. 15.

CHAPTER VI
(A/9623 (Part VII))

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE
TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND
THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS

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CHAPTER VI

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS

A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. At its 951st meeting, on 8 February 1974, the Special Committee decided without objection to maintain the working group it had established at its previous session to follow the implementation by the specialized agencies and the international institutions associated with the United Nations of the Declaration on the Granting of Independence to Colonial Countries and Peoples and other relevant resolutions of the United Nations. At its 952nd meeting, on 26 February, by approving the seventy-first report of its Working Group (A/AC.109/L.920 and Corr.1), the Special Committee further decided that the above-mentioned body should examine, inter alia, the compliance by the organizations concerned with the relevant United Nations resolutions, particularly General Assembly resolution 3118 (XXVIII) of 12 December 1973. By the same decision, the Special Committee agreed to take up the item separately and to consider it at its plenary and working group meetings.
2. The Special Committee considered the item at its 983rd, 984th, 986th and 988th meetings, between 30 October and 13 November.
3. In its consideration of the item, the Special Committee took into account the provisions of resolution 3118 (XXVIII), concerning the implementation of the Declaration by the specialized agencies and the international institutions associated with the United Nations, by paragraph 13 of which the Assembly requested the Committee "to continue to examine the question and to report to the General Assembly at its twenty-ninth session". The Special Committee was also guided by the relevant provisions of other General Assembly resolutions, particularly paragraph 14 of resolution 3111 I (XXVIII) of 12 December 1973, concerning the question of Namibia; paragraph 6 of resolution 3113 (XXVIII) of 12 December 1973, concerning the question of Territories under Portuguese administration; and paragraph 7 of resolution 3115 (XXVIII) of 12 December 1973, concerning the question of Southern Rhodesia.
4. The Special Committee also took into account the provisions of resolution 1892 (LVII) of the Economic and Social Council, adopted at its 1919th plenary meeting, on 1 August 1974, by paragraph 11 of which the Council drew "the attention of the Special Committee ... to the present resolution and to the discussions that have taken place at the fifty-seventh session of the Council on the subject". 1/ In addition, the Committee took into account the results of the consideration of the item by the Administrative Committee on Co-ordination. 2/

1/ E/AC.24/SR.538-541 and 543 and E/SR.1919; E/5574.

2/ E/5488, part I, sect. D, paras. 39-51.

5. Further, the Special Committee took into consideration the views expressed by the representatives of the Organization of African Unity (OAU) and by the representatives of the national liberation movements of the colonial Territories concerned who participated in its work during the year, as well as the relevant statements made during the panel discussion organized on 22 and 23 May 1974 (A/AC.109/SC.1/SR.205-207) in the framework of the observance by the Committee of the Week of Solidarity with the Colonial Peoples of Southern Africa and Cape Verde Fighting for Freedom, Independence and Equal Rights.

6. During its consideration of the item, the Special Committee had before it a report submitted by the Secretary-General in response to the request addressed to him by the General Assembly in paragraph 10 (a) of resolution 3118 (XXVIII) (A/9638 and addenda). The Special Committee also had before it the report of its Chairman (see annex I to the present chapter), containing an account of the consultations held, in implementation of paragraph 12 of resolution 3118 (XXVIII), by the Chairman on 13 June 1974, and by the Vice-Chairman, on 19 July, with the President of the Economic and Social Council.

7. At the 983rd meeting, on 30 October, the Chairman of the Working Group on the Implementation by the Specialized Agencies and the International Institutions Associated with the United Nations of the Declaration on the Granting of Independence to Colonial Countries and Peoples and other Relevant Resolutions of the United Nations, in a statement to the Special Committee (A/AC.109/PV.983), introduced the report of the Working Group (see annex II to the present chapter). The report contained an account of the consultations held during the year between the members of the Group and representatives of the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the International Civil Aviation Organization (ICAO) and the United Nations Development Programme (UNDP).

8. At the same meeting, Mr. Mehdi Ehsassi (Iran), Vice-Chairman, gave an account (A/AC.109/PV.983) of his participation in the relevant proceedings of the Economic and Social Council at its fifty-seventh session.

9. During the Committee's consideration of the item, statements were made as follows: at the 983rd meeting, on 30 October, by the representatives of Bulgaria and the Ivory Coast and by the representatives of UNESCO, FAO and WHO (A/AC.109/PV.983); and at the 984th meeting, on 1 November, by the representative of Iraq (A/AC.109/PV.984); and at the 986th meeting, on 8 November, by the representative of UNESCO (A/AC.109/PV.986).

10. At the 986th meeting on 8 November, the representatives of Bulgaria and the United Republic of Tanzania introduced a draft resolution on the item (A/AC.109/L.986) on behalf of Afghanistan, Bulgaria, Czechoslovakia, Ethiopia, India, Indonesia, Iran, Iraq, the Ivory Coast, Sierra Leone, the Syrian Arab Republic, Trinidad and Tobago, Tunisia, the United Republic of Tanzania and Yugoslavia. The representative of Mali made a statement on the draft resolution (A/AC.109/PV.986).

11. At its 988th meeting, on 13 November, the Special Committee adopted without objection the draft resolution (see para. 13 below). At the same meeting, statements were made by the representatives of China and Bulgaria (A/AC.109/PV.988).

12. On 18 November, the text of the resolution was transmitted to all States, to OAU and to the specialized agencies and other organizations within the United Nations system.

B. DECISION OF THE SPECIAL COMMITTEE

13. The text of the resolution (A/AC.109/471) adopted by the Special Committee at its 988th meeting, on 13 November, to which reference is made in paragraph 11 above, is reproduced below.

The Special Committee,

Having considered the item entitled "Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations",

Recalling the Declaration on the Granting of Independence to Colonial Countries and Peoples, contained in General Assembly resolution 1514 (XV) of 14 December 1960, and the programme of action for the full implementation of the Declaration, contained in General Assembly resolution 2621 (XXV) of 12 October 1970, as well as all other relevant resolutions of the General Assembly and the Security Council,

Having examined the report of the Working Group on the Implementation by the Specialized Agencies and the International Institutions Associated with the United Nations of the Declaration on the Granting of Independence to Colonial Countries and Peoples and other Relevant Resolutions of the United Nations, 3/ and expressing its appreciation of the positive results achieved as a consequence of the missions sent for consultations with the executive heads of the International Civil Aviation Organization and the World Health Organization,

Taking into account the report of the Secretary-General on the item, 4/ and the report of its Chairman 5/ on his consultations with the President of the Economic and Social Council, as well as the relevant section of the report of the Administrative Committee on Co-ordination, 6/

Taking into account also the statements of the representatives of the national liberation movements of the colonial Territories in Africa who participated as observers in its work relating to their respective countries, and conscious of the urgent and pressing need of the peoples concerned for concrete assistance from the specialized agencies and other institutions associated with the United Nations in the administration of their countries and the reconstruction programmes being undertaken by their national liberation movements,

3/ See annex II to the present chapter.

4/ A/9638 and addenda.

5/ See annex I to the present chapter.

6/ E/5488.

Reaffirming the responsibility of the specialized agencies and other organizations within the United Nations system to take all effective measures, within their respective spheres of competence, to ensure the full and speedy implementation of the Declaration and other relevant resolutions of the United Nations, particularly in the provision of moral and material assistance on a priority basis to the peoples of the colonial Territories and their national liberation movements,

Noting with deep concern that, while progress has been maintained in the extension of assistance to refugees from the colonial Territories in Africa, the actions so far taken by the organizations concerned in the provision of assistance to the peoples of the Territories through their national liberation movements continue to remain far from adequate to meet the urgent needs of these peoples,

Noting with satisfaction the measures taken by several agencies and organizations within the United Nations system to grant observer status to the national liberation movements, and expressing the hope that the other organizations concerned will proceed forthwith to take the necessary steps in this regard,

Expressing its appreciation to the General Secretariat of the Organization of African Unity for the continued co-operation and assistance extended by it to the organizations within the United Nations system in connexion with the implementation of the relevant resolutions of the United Nations,

Welcoming the categorical renunciation by the Government of Portugal of the colonialist policy of its predecessors, and in particular the unequivocal acceptance by that Government of its obligations under the relevant provisions of the Charter of the United Nations and of the right of the peoples concerned to self-determination and independence in accordance with the Declaration and with the provisions of all related resolutions of the United Nations, as well as its express readiness to co-operate in the work of the Special Committee,

Mindful of the necessity to keep under continuous review the activities of the specialized agencies and other organizations within the United Nations system in the implementation of the various United Nations decisions relating to decolonization,

1. Approves the report of the Working Group on the Implementation by the Specialized Agencies and the International Institutions Associated with the United Nations of the Declaration on the Granting of Independence to Colonial Countries and Peoples and other Relevant Resolutions of the United Nations, and endorses the conclusions and recommendations contained therein; 7/

2. Reaffirms that the recognition by the General Assembly, the Security Council and other United Nations organs of the legitimacy of the struggle of colonial peoples to achieve freedom and independence entails, as a corollary, the extension by the United Nations system of organizations of all the necessary moral and material assistance to the peoples of the colonial

7/ See annex II to the present chapter.

Territories, including in particular the populations in the liberated areas of those Territories and their national liberation movements;

3. Expresses its appreciation to those specialized agencies and organizations within the United Nations system which have continued to co-operate in varying degrees with the United Nations in the implementation of the Declaration and other relevant resolutions of the General Assembly:

4. Urges all specialized agencies and institutions associated with the United Nations and all States to render, as a matter of urgency, all possible moral and material assistance to the colonial peoples in Africa struggling for their liberation from colonial rule and, in particular, recommends that the organizations concerned should initiate or broaden contacts and co-operation with these peoples in consultation with the Organization of African Unity and work out and implement concrete programmes for such assistance with the active collaboration of the national liberation movements concerned;

5. Reiterates its urgent request that the specialized agencies and other organizations within the United Nations system, including in particular the United Nations Development Programme and the World Bank, should take measures, within their respective spheres of competence, to increase the scope of their assistance to refugees from colonial Territories, including assistance to the Governments concerned in the preparation and execution of projects beneficial to those refugees, and, in that connexion, to introduce the greatest possible measure of flexibility in their relevant procedures;

6. Urges once again the specialized agencies and other organizations within the United Nations system, in accordance with the relevant resolutions of the General Assembly and the Security Council, to take all necessary measures to withhold any financial, economic, technical or other assistance from the Government of South Africa and the illegal régime of Southern Rhodesia and discontinue all support to them until they restore to the peoples of Namibia and Zimbabwe their inalienable right to self-determination and independence, and to refrain from taking any action which might imply recognition of the legitimacy of the domination of the Territories by those régimes;

7. Draws the attention of the specialized agencies and the institutions associated with the United Nations to the steps towards decolonization undertaken by the new Government of Portugal, thus enabling these organizations to resume their co-operation with the present Government of Portugal;

8. Requests the specialized agencies and other organizations within the United Nations system, to make appropriate procedural arrangements and, if necessary, amend their relevant instruments, with a view to enabling representatives of the national liberation movements of the colonial Territories, recognized by the Organization of African Unity, to participate fully as observers in all proceedings relating to their countries, particularly so as to ensure that assistance projects of the agencies and organizations are carried out to the benefit of the national liberation movements and peoples of the liberated areas:

9. Recommends that all Governments should intensify their efforts in the

specialized agencies and other organizations within the United Nations system of which they are members to ensure the full and effective implementation of the Declaration and other relevant resolutions of the United Nations and, in that connexion, should accord priority to the question of providing assistance on an emergency basis to peoples in the colonial Territories and to their national liberation movements;

10. Recommends that, with a view to facilitating the implementation of paragraph 9 above, the General Assembly should urge the executive heads of the specialized agencies and other organizations within the United Nations system to formulate and submit to their respective governing bodies or legislative organs, as a matter of priority and with the active co-operation of the Organization of African Unity, concrete proposals for the full implementation of the relevant United Nations decisions, in particular specific programmes of all possible assistance to the peoples in colonial Territories and their national liberation movements, together with a comprehensive analysis of the problems, if any, confronted by the agencies and organizations:

11. Recommends that the General Assembly request the Secretary-General:

(a) To prepare for submission to the relevant bodies concerned with related aspects of the present item, with the assistance of the specialized agencies and other organizations within the United Nations system, a report on the action taken since the circulation of his previous report 8/ in implementation of the relevant resolutions of the United Nations, including the present resolution;

(b) To continue to assist the specialized agencies and other organizations within the United Nations system in working out appropriate measures for implementing the present resolution and to report thereon to the General Assembly at its thirtieth session;

12. Requests its Chairman, taking the foregoing into account, to continue his consultations with the President of the Economic and Social Council and to maintain contact with the Organization of African Unity with a view to facilitating the implementation of the Declaration and other relevant resolutions of the United Nations by the organizations concerned;

13. Decides, subject to any directives the General Assembly might wish to give at its twenty-ninth session, to continue to examine the question and to report to the General Assembly at its thirtieth session.

8/ A/9638 and addenda.

Annex I*

REPORT OF THE CHAIRMAN

1. At its fifty-fifth session, the Economic and Social Council adopted resolution 1804 (LV) of 7 August 1973 on the item entitled "Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations". By paragraph 6 of that resolution, the Council requested its President to continue consultations on this matter with the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. a/
2. At its 946th meeting, on 28 August 1973, the Special Committee adopted a resolution on the question, by paragraph 12 of which it requested its Chairman to continue his consultations on the item with the President of the Council. b/
3. At its twenty-eighth session, the General Assembly adopted resolution 3118 (XXVIII) of 12 December 1973, by paragraph 12 of which it requested the Economic and Social Council to continue to consider, in consultation with the Special Committee, appropriate measures for co-ordination of the policies and activities of the specialized agencies and other organizations within the United Nations system in implementing the relevant resolutions of the General Assembly.
4. Accordingly, the President of the Council and the Chairman of the Special Committee held consultations on the question on 13 June 1974, and further consultations were held between the President of the Council and the Vice-Chairman of the Special Committee on 19 July 1974.
5. The President of the Economic and Social Council informed the Chairman of the Special Committee that, in conformity with paragraph 11 of General Assembly resolution 3118 (XXVIII), the attention of the Council members had been drawn to the discussions of the Special Committee and to the relevant documentation. c/ The President of the Council also informed the Chairman of the Special Committee that the Administrative Committee on Co-ordination had during the past year continued to give close attention to the question, d/ and that, in the same context, further informal consultations between representatives of the General Secretariat of the Organization of African Unity (OAU) had taken place during April and July 1974, with a view to promoting closer co-operation in the implementation

* Previously issued under the symbol A/AC.109/L.966.

a/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 3 (A/9003), chap. XXVI, para. 1044.

b/ Ibid., Supplement No. 23 (A/9023/Rev.1), chap. VI, para. 18.

c/ Ibid., (A/9023/Rev.1), chap. VI; A/AC.109/PV.923 and Corr.1 and 2, PV.937 and Corr.1, PV.939 and Corr.1, PV.941 and Corr.1, PV.945 and PV.946.

d/ See E/5488.

of the various resolutions on decolonization by the organizations concerned. The Chairman of the Special Committee informed the President of the Council that similarly, in pursuance of paragraph 5 of Council resolution 1804 (LV) of 7 August 1973, the Special Committee's attention had been drawn to that resolution as well as to the discussions leading thereto during the Council's fifty-fifth session. e/ The Chairman of the Special Committee also informed the President of the Council that the Committee at the beginning of the current session had re-established its working group on the implementation of the Declaration by specialized agencies and related institutions to follow the implementation of General Assembly resolution 3118 (XXVIII) and other relevant United Nations resolutions. In the light of the positive results of the contacts established in 1973 with the executive heads of a number of agencies, the Special Committee had continued similar consultations during its current session. The Special Committee expected to consider the item during the second half of August 1974, when the report of its working group as well as an account of the Council's consideration of the related item, became available. The two presiding officers felt that the continued dialogue between the United Nations bodies concerned, the executive heads of the United Nations family of organizations and OAU had furthered the efforts of the international community to speed up the process of decolonization, including the extension of assistance to the peoples of colonial Territories in Africa and their national liberation movements. Accordingly, they considered it desirable that such contacts should be maintained on a regular basis.

6. Having reviewed developments concerning the implementation of the above-mentioned United Nations resolutions since July 1973, the presiding officers noted that steady progress had been made with respect to the provision of assistance to refugees through the United Nations High Commissioner for Refugees (UNHCR) in close co-operation with a number of organizations in the United Nations system, and with the OAU Bureau for the Placement and Education of African Refugees (BPEAR). It was noted in particular that in 1973 UNHCR projects which involved expenditure amounting to some \$1.6 million, had benefited over 580,000 refugees, by financing primary and post-primary education, promoting rural settlement and providing medical, educational and other related facilities. In the same context, the two presiding officers welcomed the continued efforts being made by the Secretary-General to strengthen the co-ordination of the various existing United Nations programmes of assistance beneficial to colonial peoples with projects being carried out under the auspices of UNHCR and BPEAR. The two presiding officers also noted the assurances, given by a number of agencies, that they would continue to co-operate with the Secretary-General, among other things, by making available their facilities to assist in the selection, placement and productive employment of beneficiaries of the above-mentioned United Nations programmes. In the opinion of the presiding officers, it was necessary to ensure the closest possible co-ordination of all these activities in order to achieve the maximum utilization of the limited available resources. For their part, the Governments of the countries of residence could facilitate the flow of assistance to refugees from the colonial Territories by continuing to assign high priority to projects carried out in co-operation with the United Nations family of organizations, and also by according to refugees the legal status provided for under the relevant international instruments.

e/ E/AC.24/SR.506-510; E/SR.1876.

7. The presiding officers acknowledged that further efforts were being made by some of the agencies and organizations concerned to work out, in collaboration with OAU and in close co-operation with the Governments of a number of the African countries adjoining the colonial Territories, including the Congo, Guinea, Senegal, the United Republic of Tanzania, Zaire and Zambia, concrete programmes of assistance to the peoples of these Territories, including the populations in liberated areas and their national liberation movements, especially in the broad field of education and training. As examples of these efforts, they noted that the United Nations Educational, Scientific and Cultural Organization (UNESCO) had maintained progress in the provision of assistance to liberation movements and colonial peoples financed through its regular programme and the United Nations Development Programme (UNDP) as well as other extrabudgetary sources. The World Health Organization (WHO) was actively engaged in consultations with UNDP, the United Nations Children's Fund (UNICEF), and possible sources of voluntary support, to ensure early implementation of programmes of assistance in the health field for the populations helped by the national liberation movements. The International Labour Organisation (ILO) was developing a pilot project in southern United Republic of Tanzania for training assistance to peoples of Mozambique in co-operation with the Frente de Libertação de Moçambique (FRELIMO) and a number of fellows sponsored by OAU were being trained at the International Centre for Advanced Technical and Vocational Training at Turin. The Food and Agriculture Organization of the United Nations (FAO) was continuing to work towards the establishment of an agricultural training component within the framework of the Mozambique Institute in the United Republic of Tanzania, which had been envisaged since September 1971. UNHCR had proposed to incorporate into its regular assistance programme aid to refugees through institutions linked with the national liberation movements.

8. The two presiding officers took note of the decision taken by the Governing Council of UNDP at its seventeenth session, in response to paragraph 4 (d) of General Assembly resolution 3118 (XXVIII), to waive counterpart obligations normally required of sponsoring Governments in respect of projects beneficial to colonial peoples. They welcomed the comprehensive decision adopted by the UNDP Governing Council at its eighteenth session, according to which assistance would be financed from the UNDP programme reserve and also from a trust fund to be established for the purpose. They noted with appreciation that the World Food Programme (WFP) had begun to implement, in accordance with a decision of its Intergovernmental Committee, an interim programme of assistance, including two food aid projects in Angola and Mozambique, valued at over \$3 million on an emergency or quasi-emergency basis. They also noted that the UNICEF Executive Board had approved two projects involving assistance in the fields of health, sanitation, education and welfare, each totalling \$500,000, extending over several years. They were in agreement that, in the continuation of the consultations initiated between OAU and the World Bank, all practical means should be explored by the Bank to assist the Governments concerned in supporting projects that would be beneficial to the peoples of the colonial Territories. They commended the arrangements that had been made by one or two agencies for additional financing from extrabudgetary sources, including funds-in-trust, and expressed the hope that other organizations might consider making similar arrangements.

9. The two presiding officers agreed that the measures so far taken by some of the organizations within the United Nations system for the provision of assistance to the colonial peoples represented only a limited, although generally positive response to pertinent United Nations resolutions: it was to be borne in mind that

the needs were great and that, of the 28 million people still living under colonial rule, there were nearly 18 million people in southern Africa. They expressed the hope that the organizations concerned, as well as all Governments, would intensify their efforts to assist or continue to assist the colonial peoples, particularly those living in that part of the continent.

10. As regards the implementation of paragraph 7 of resolution 3118 (XXVIII) concerning the representation of the colonial Territories in Africa by their national liberation movements, at relevant meetings of the specialized agencies, the two presiding officers noted with satisfaction that, in addition to the action taken by UNESCO and the ILO, several agencies and organizations had adopted measures with a view to enabling representatives of the liberation movements concerned to participate in such meetings; these included FAO, WHO, the International Telecommunication Union (ITU), the Inter-Governmental Maritime Consultative Organization (IMCO), the Universal Postal Union (UPU), the World Meteorological Organization (WMO), UNDP and WFP. The President of the Council drew attention to the decisions of the Council adopted at its fifty-sixth session by which the Council had arranged for the participation of representatives of the national liberation movements in the work of the World Population Conference, to be held at Bucharest in August 1974, and the World Food Conference, to be held at Rome in November 1974. The Chairman of the Special Committee mentioned that representatives of the national liberation movements had participated in the Diplomatic Conference on the Reaffirmation and Development of International Humanitarian Law Applicable in Armed Conflicts, held at Geneva from 20 February to 29 March 1974. The two presiding officers welcomed these developments and hoped that those organizations which had yet to comply fully with the relevant provisions of resolution 3118 (XXVIII) would proceed, in consultation with OAU, to enable the national liberation movements to participate in the relevant proceedings of conferences, meetings or seminars held under their auspices.

11. The Chairman of the Special Committee noted that several agencies had taken further steps to discontinue all support to and withhold financial, economic, technical and other assistance from the Governments of Portugal and South Africa and from the illegal racist minority régime in Southern Rhodesia until they renounced their policies of colonial and racial domination of the African peoples concerned. He also noted that several other agencies had in practice adopted the position of non-co-operation with these régimes in matters of assistance, although they had not taken formal decisions to sever relations or discontinue collaboration with them. The President of the Council noted that the delegation of the Government of Portugal to the recent UPU Congress had made a statement before the Congress in which were outlined the main guidelines of Portugal's new foreign policy, including: (a) its profound desire for international co-operation with all countries without any distinction; (b) absolute respect for the principles embodied in the Charter of the United Nations and the Universal Declaration of Human Rights; and (c) acceptance of self-determination with all its consequences as a means of solving the colonial problem. The Chairman of the Special Committee observed that, while the situation in Portugal had continued to evolve, pressure should be exerted on the new Government to reverse completely the policies of the previous régime vis-à-vis the colonial Territories under its domination. The President of the Council and the Chairman of the Special Committee noted that the new Government of Portugal had not yet officially indicated its acceptance of, inter alia, the Declaration on the Granting of Independence to Colonial Countries and Peoples. The Chairman of the Special Committee felt that the United Nations system of

organizations should continue to be guided by the relevant provisions of resolution 3118 (XXVIII), in particular paragraph 6 thereof. f/

12. With reference to Council resolution 1740 (LIV) of 4 May 1973, in which the Council had requested its Committee on Non-Governmental Organizations to explore ways of engaging non-governmental organizations actively in the implementation of the Declaration, the Chairman of the Special Committee stated that, while several of the organizations in consultative status had continued to assist in the efforts of the United Nations in the field of decolonization, many of them had yet to extend their co-operation in that regard. As those agencies and organizations which had taken part in the International Conference of Experts for the Support of Victims of Colonialism and Apartheid in Southern Africa, held at Oslo from 9 to 14 April 1973, were fully aware, several non-governmental organizations had long been making active contributions to the process of decolonization, by extending direct financial assistance to the national liberation movements and/or by disseminating information on decolonization. The two presiding officers were of the view that the Council might wish to consider reiterating its call on its Committee on Non-Governmental Organizations to intensify its efforts to enlist the support of all non-governmental organizations within its purview in the implementation of the Declaration.

13. Noting that the matters raised in the foregoing report would require continuous review by the Economic and Social Council and by the Special Committee, the two presiding officers agreed that, subject to any directives which the General Assembly might give at its twenty-ninth session and in conformity with such decisions as might be taken by the Council and the Special Committee, they should maintain close contact with each other on the question.

f/ On the basis of subsequent developments, Mr. Mehdi Ehsassi, Vice-Chairman, who participated on behalf of the Special Committee in the consideration of the item by the Economic and Social Council at its fifty-seventh session, made a statement at the 541st meeting of the Council's Policy and Programme Co-ordination Committee, on 29 July 1974 (E/AC.24/SR.541), relating to matters referred to in documents A/AC.109/452 and 454 and A/9697.

Annex II*

REPORT OF THE WORKING GROUP ON THE IMPLEMENTATION BY THE
SPECIALIZED AGENCIES AND THE INTERNATIONAL INSTITUTIONS
ASSOCIATED WITH THE UNITED NATIONS OF THE DECLARATION ON
THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND
PEOPLES AND OTHER RELEVANT RESOLUTIONS OF THE UNITED
NATIONS

Chairman: Mr. Barakat AHMAD (India)

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CONCLUSIONS AND RECOMMENDATIONS

39. From the consultations undertaken by the Working Group, as outlined above, it is evident that, despite limited progress in certain areas, the provisions of the relevant resolutions of the United Nations remain largely unimplemented, particularly with respect to the formulation and execution of concrete programmes of assistance to the peoples in the liberated areas and their national liberation movements recognized by OAU. The action thus far taken by the agencies and organizations concerned falls far short of the objectives of resolution 3118 (XXVIII) and is not adequate by far to meet the urgent and critical needs of the peoples in their struggles for freedom and independence. The Working Group accordingly considers it imperative to urge the organizations concerned to take all the necessary steps to implement all the provisions of the relevant United Nations resolutions in the field of decolonization.

40. In that regard, it is essential for the organizations concerned to continue to work closely on a continuing basis with the General Secretariat of OAU and to seek the latter's advice and guidance to effect the maximum and most efficient utilization of the resources available. The Working Group also wishes to stress once again the primary responsibility of the executive heads of the agencies and organizations to formulate and submit to their respective governing bodies or legislative organs, as a matter of priority and with the active co-operation of OAU, concrete proposals for rendering all possible assistance to the peoples concerned.

41. The Working Group notes with appreciation the initiative taken by a number of African countries adjoining the Territories concerned in sponsoring, in consultation with OAU, concrete programmes of assistance to the peoples of these Territories. As already indicated, these programmes are modest in their scale and limited in their scope. Nevertheless, they represent an encouraging beginning. The Working Group is hopeful that the recent decision of the UNDP Governing Council, by which it waived counterpart obligations normally required of sponsoring Governments for assistance projects, would facilitate further the formulation of desired programmes. At the same time, the Working Group wishes to emphasize the importance of the role

* The complete text of the report was previously issued under the symbol A/AC.109/L.981.

being played by OAU in assisting the organizations concerned, as well as in stimulating the interest of Governments in sponsoring the necessary assistance projects. In the same context, the Working Group expresses the hope that the World Bank and the International Monetary Fund (IMF) will reconsider their present policies and comply with the relevant United Nations resolutions and will begin to provide assistance to the peoples of the colonial Territories, particularly in view of the enormous resources of those two agencies.

42. The Working Group wishes to note the action recently taken on the related item by the Economic and Social Council at the latter's fifty-seventh session, by which it welcomed, inter alia, the affirmation by the Government of Portugal of the right to independence of the peoples of the colonial Territories concerned as well as Portugal's acceptance of all the resolutions of the United Nations in the field of decolonization. The Working Group considers it necessary, now more than ever, for the organizations within the United Nations system to intensify their efforts by all available means to provide in the period of transition all moral and material assistance to the peoples of these Territories and their national liberation movements in their struggles to consolidate their national independence and to carry out programmes for reconstruction of their countries.

43. As regards the implementation of paragraph 7 of resolution 3118 (XXVIII), concerning the representation of the colonial Territories in Africa by national liberation movements recognized by OAU at the proceedings of the specialized agencies, the Working Group notes with satisfaction that an increasing number of agencies have made, or are making, arrangements for such representation. The Working Group notes in particular the action taken in this respect by the ILO, FAO, UNESCO, WHO, the Universal Postal Union (UPU), the International Telecommunication Union (ITU) and the World Meteorological Organization (WMO). It is patently clear that if the needs of the peoples of the colonial Territories are to be adequately met and if their interests are to be effectively safeguarded, such participation is an essential and indispensable element in these proceedings. The Working Group is of the opinion that because of the sizable number of those agencies which have not yet taken any action in this respect, it is imperative to urge them strongly to comply with the relevant provision of resolution 3118 (XXVIII). The Working Group firmly believes that the time has come for all the agencies and organizations within the United Nations system to accord full observer status to the national liberation movements recognized by OAU.

44. As regards the discontinuance of all support to and withholding all assistance from the colonialist and racist minority régimes of South Africa and Southern Rhodesia, it is more than clear that the extension of assistance to the peoples of the colonial Territories concerned requires, as a corollary, the complete cessation of any such support for and assistance to these régimes. In this respect, the Working Group wishes to reiterate its request, recently reaffirmed by the Economic and Social Council at its fifty-seventh session, to all the agencies and other organizations to discontinue all support and assistance to the Government of South Africa and the illegal régime in Southern Rhodesia, as long as those régimes persist in their policies of colonial domination and exploitation. The Working Group stresses once again that the primary aim of the international community in this regard is to bring pressure to bear on these régimes until they renounce their colonialist and racist repression of the peoples under their domination.

45. Guided by the foregoing considerations and subject to any decision which the Special Committee might wish to take in this connexion, the Working Group intends to continue to pursue vigorously the mandate entrusted to it by the Special Committee, including in particular the holding of consultations with the executive heads of the agencies and organizations concerned, as well as the establishment of contact with their legislative bodies and governing organs.

46. The Working Group recommends that provision should be made to have summary records taken of the meetings it intends to hold during 1975.

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