



**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**

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**VOLUME II**

**GENERAL ASSEMBLY**

OFFICIAL RECORDS: TWENTY-FOURTH SESSION

SUPPLEMENT No. 23 (A/7623/Rev.1)

**UNITED NATIONS**



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**New York, 1974**

## 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 four volumes. The present volume contains chapters VI to VIII of the report of the Special Committee to the General Assembly which were previously distributed as documents A/7623/Add.1 to 3. Chapters I to V are contained in volume I; chapters IX to XXII are contained in volume III, and chapters XXIII to XXXIII in volume IV. A list of contents of all the chapters appears in each volume.

For documents A/7200 and addenda mentioned in the present report, see *Official Records of the General Assembly, Twenty-third Session, Annexes*, addendum to agenda item 23 (A/7200/Rev.1).

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## A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of Southern Rhodesia at its 658th, 659th and 662nd to 665th meetings, held at Headquarters between 4 and 26 March 1969, and at its 677th to 679th, 682nd, 684th to 686th, 689th and 693rd meetings, held away from Headquarters between 12 and 23 May. Following its return to Headquarters, the Committee resumed consideration of the item at its 695th to 698th meetings, from 5 to 10 June.
2. In its consideration of this item, the Special Committee took into account the relevant provisions of General Assembly resolution 2465 (XXIII) of 20 December 1968 on the question of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By that resolution, the Special Committee was requested by the General Assembly, in paragraph 11, "to continue to perform its task and to seek suitable means for the immediate and full implementation of the Declaration in all Territories which have not yet attained independence" and, in paragraph 13, "to continue to examine the compliance of Member States with the Declaration and with other relevant resolutions on the question of decolonization, particularly those relating to ... Southern Rhodesia ... and to report thereon to the General Assembly at its twenty-fourth session". It also took into account other resolutions of the General Assembly concerning Southern Rhodesia, especially resolution 2379 (XXIII) of 25 October 1968 and resolution 2383 (XXIII) of 7 November 1968, by operative paragraph 15 of which the Assembly requested the Special Committee "to keep the situation in the Territory under review". Further, the Special Committee paid due regard to the relevant resolutions of the Security Council concerning Southern Rhodesia, particularly resolution 253 (1968) of 29 May 1968, whereby the Security Council imposed extensive mandatory sanctions against the illegal régime in the Territory.
3. During its consideration of the item, the Special Committee had before it a working paper prepared by the Secretariat (see annex I below) containing information on action previously taken by the Special Committee and the General Assembly and by the Security Council, as well as on the latest developments concerning the Territory. The Special Committee also had before it a report by the Secretary-General (see annex II below) submitted in accordance with operative paragraph 15 of General Assembly resolution 2383 (XXIII), in which the Secretary-General was invited "to report to the Special Committee on the extent of the implementation by Member States of the resolutions of the United Nations concerning the Territory".
4. In addition, the Special Committee had before it the following written petitions concerning Southern Rhodesia:
  - (a) Undated letter from Mr. Muchaneta Nyambuya, Chairman, Zimbabwe African National Union (ZANU) in New York, and Mr. Davis M'gabe, United States representative of ZANU; and letter dated 9 May 1969 from Mr. M. Mudzi, Secretary of the Supreme Council, ZANU, containing a request for hearing (A/AC.109/PET.1073 and Add.1);

(b) Letter dated 30 October 1968 from Mr. Pat Clarke, Secretary, Reigate and Redhill District Branch of the Anti-Apartheid Movement, United Kingdom (A/AC.109/PET.1074);

(c) Letter dated 5 December 1968 from Mr. Masipula Sithole (A/AC.109/PET.1075);

(d) Two cables dated 17 and 19 February and one letter dated 21 March 1969 from Mr. Harm Buiter, General Secretary, International Confederation of Free Trade Unions (ICFTU) (A/AC.109/PET.1076);

(e) Letter dated 24 March 1969 from Mr. Malcolm G. Clarke, Secretary, Epsom, Leatherhead and Districts Anti-Apartheid Committee, United Kingdom (A/AC.109/PET.1077);

(f) Letter dated 28 October 1968 from Mr. Jyoti Shankar Singh, Secretary-General, World Assembly of Youth (WAY) (A/AC.109/PET.1084);

(g) Letter dated 2 December 1968 from Mr. Lucjan Wolniewicz, Secretary-General, Polish Committee for Solidarity with the Peoples of Asia and Africa (A/AC.109/PET.1085);

(h) Letter dated 9 May 1969 from Mr. George Nyandoro, National Secretary, Zimbabwe African People's Union (ZAPU), containing a request for hearing (A/AC.109/PET.1089);

(i) Cable dated 27 April 1969 from participants in a seminar on Neo-Colonialism in Africa, Khartoum University (A/AC.109/PET.1092);

(j) Letter dated 9 May 1969 from Messrs. F. Muchemwa, Chairman, and T. I. Matthews, Secretary, Protest Committee, University College of Rhodesia, Salisbury (A/AC.109/PET.1098);

(k) Letter dated 23 May 1969 from Mr. J. J. Hadebe, Current Chairman, Union of Non-Independent African States (UNIAS) (A/AC.109/PET.1107);

(l) Letter dated 14 June 1969 from Mr. A. J. Dash (A/AC.109/PET.1115).

5. At its 677th meeting, on 12 May, the Special Committee, by adopting the 140th report of the Sub-Committee on Petitions (A/AC.109/L.562), decided to grant the requests for hearing contained in the petitions referred to in paragraph 4 (a) and (h) above.

6. Following that decision, Mr. T. G. Silundika, Secretary for Publicity and Information of the Zimbabwe African People's Union (ZAPU), made a statement at the 677th meeting and replied to questions put to him by the representatives of Bulgaria, India, Yugoslavia and the Ivory Coast (A/AC.109/SR.677). At the 678th meeting, the petitioner replied to questions put to him by the representatives of the Union of Soviet Socialist Republics, Syria, Afghanistan, Madagascar, Ethiopia, Poland, Iran, Sierra Leone, Venezuela, Ecuador, Honduras and Mali (A/AC.109/SR.678). The representative of Argentina, who was participating in the meetings of the Committee in an observer capacity, made a statement in

connexion with a matter raised by the petitioner (A/AC.109/SR.678). Subsequently, he submitted to the Committee a communication dated 13 May 1969, together with the text of a communiqué issued by his Government relating to that matter (A/AC.109/322 and Add.1). On 3 June, a communication relating to the petitioner's statement was also received from the Permanent Representative of Japan to the United Nations (A/AC.109/329).

7. At the 679th meeting, on 13 May, Mr. T. Mutizwa, Chief Publicity Officer of the Zimbabwe African National Union (ZANU), made a statement. Thereafter, Mr. Mutizwa and Mr. M. Mudzi, Secretary of the Supreme Council of ZANU, answered questions put to them by the representative of the Ivory Coast (A/AC.109/SR.679).

8. At its 689th meeting, on 20 May 1969, the Special Committee decided to hear a further statement by a representative of the Zimbabwe African National Union (ZANU), in continuation of the hearing granted to that organization at its 677th meeting. Following that decision, Mr. P. L. Chihota, Principal Representative of the Zimbabwe African National Union (ZANU) made a statement at the same meeting (A/AC.109/SR.689).

9. The general debate on the item took place at the 658th, 659th and 662nd to 664th meetings, between 4 and 24 March, and at the 684th to 686th meetings, on 15 and 16 May. In that connexion, the following delegations made statements: United Republic of Tanzania (A/AC.109/PV.658 and Corr.1, SR.686); Tunisia (A/AC.109/PV.659, SR.685); India (A/AC.109/PV.662 and Corr.1, SR.684); Bulgaria (A/AC.109/PV.663, SR.685); Ethiopia and Ecuador (A/AC.109/PV.664 and Corr.1, SR.686); Afghanistan, Iran, Yugoslavia and Syria (A/AC.109/PV.664 and Corr.1, SR.685); Norway and United States (A/AC.109/PV.664 and Corr.1); Union of Soviet Socialist Republics (A/AC.109/PV.664 and Corr.1, SR.684); Italy (A/AC.109/PV.664 and Corr.1); Madagascar (A/AC.109/SR.684); Mali, Ivory Coast, Iraq, Venezuela and Honduras (A/AC.109/SR.685); Poland (A/AC.109/SR.686). Statements concerning southern Africa, including Southern Rhodesia, were made by the representatives of Zambia (A/AC.109/SR.684) and Czechoslovakia who were participating in the Committee's discussion in an observer capacity (A/AC.109/SR.693). At the 679th and 693rd meetings, the representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO), with the permission of the Committee, made statements.

10. At the 664th meeting, on 24 March, the representatives of Syria and Sierra Leone introduced a draft resolution on behalf of the following members: Afghanistan, Ethiopia, India, Iran, Iraq, Ivory Coast, Mali, Sierra Leone, Syria, United Republic of Tanzania, Tunisia and Yugoslavia (A/AC.109/L.542).

11. The Special Committee considered the draft resolution at its 665th meeting, on 26 March (A/AC.109/PV.665). Statements on the draft resolution were made by the representatives of Venezuela, the United Kingdom of Great Britain and Northern Ireland, Poland, the Ivory Coast, the United Republic of Tanzania, Yugoslavia and India. A statement in explanation of vote was made by the representative of the United States of America.

12. At the same meeting, the Special Committee adopted the draft resolution by a roll-call of 20 to none, with no abstentions. The result of the voting was as follows:

In favour: Afghanistan, Bulgaria, Ethiopia, Honduras, India, Iran, Iraq, Italy, Ivory Coast, Norway, Poland, Sierra Leone, Syria, Tunisia, Union of Soviet Socialist Republics, United Kingdom, United Republic of Tanzania, United States, Venezuela and Yugoslavia.

Against: None.

Abstaining: None.

13. The text of the resolution (A/AC.109/311) is reproduced in section B.1 below.

14. On 26 March, the text of the resolution was transmitted to the Permanent Representative of the United Kingdom to the United Nations for the attention of his Government.

15. At the 695th meeting, on 5 June, further statements on the item were made by the representatives of the United Republic of Tanzania and Syria (A/AC.109/PV.695 and Corr.1).

16. At the 696th meeting, on 6 June, the representatives of the United Republic of Tanzania, Syria, Yugoslavia and Sierra Leone, introduced a draft resolution (A/AC.109/L.568) on behalf of the following members: Afghanistan, Ethiopia, India, Iraq, Madagascar, Mali, Sierra Leone, Syria, Tunisia, United Republic of Tanzania, and Yugoslavia (A/AC.109/PV.696).

17. The Special Committee considered the draft resolution at its 697th and 698th meetings, on 9 and 10 June. Statements on the draft resolution were made by the representatives of the Union of Soviet Socialist Republics, Poland and the Ivory Coast (A/AC.109/PV.698).

18. At the 698th meeting, the Special Committee voted on the draft resolution as follows:

(a) Operative paragraph 5 was adopted by a roll-call vote of 18 to none, with 5 abstentions. The result of the voting was as follows:

In favour: Afghanistan, Bulgaria, Ecuador, Ethiopia, Honduras, India, Iran, Iraq, Madagascar, Mali, Poland, Sierra Leone, Syria, Tunisia, Union of Soviet Socialist Republics, United Republic of Tanzania, Venezuela and Yugoslavia.

Against: None.

Abstaining: Italy, Ivory Coast, Norway, United Kingdom and United States.

(b) Operative paragraph 6 was adopted by a roll-call vote of 21 to none, with 2 abstentions. The result of the voting was as follows:

In favour: Afghanistan, Bulgaria, Ecuador, Ethiopia, Honduras, India, Iran, Iraq, Madagascar, Mali, Norway, Poland, Sierra Leone, Syria, Tunisia, Union of Soviet Socialist Republics, United Kingdom, United Republic of Tanzania, United States, Venezuela and Yugoslavia.

Against: None.

Abstaining: Italy, Ivory Coast.

(c) The draft resolution, as a whole (A/AC.109/L.568), was adopted by a roll-call vote of 19 to 2, with 2 abstentions. The result of the voting was as follows:

In favour: Afghanistan, Bulgaria, Ecuador, Ethiopia, Honduras, India, Iran, Iraq, Ivory Coast, Madagascar, Mali, Poland, Sierra Leone, Syria, Tunisia, Union of Soviet Socialist Republics, United Republic of Tanzania, Venezuela and Yugoslavia.

Against: United Kingdom, United States.

Abstaining: Italy, Norway.

19. At the same meeting, statements in explanation of vote were made by the representatives of Italy, the United Kingdom, the United States, Norway and the United Republic of Tanzania.

20. The text of the resolution (A/AC.109/330) is reproduced in section B.2 below.

21. On 10 June 1969, the text of the resolution was transmitted to the President of the Security Council (S/9244) and to the Permanent Representative of the United Kingdom to the United Nations for the attention of the latter's Government.

## B. DECISIONS OF THE SPECIAL COMMITTEE

### 1. Resolution adopted by the Special Committee at its 665th meeting on 26 March 1969

The Special Committee,

Recalling General Assembly resolution 1514 (XV) of 14 December 1960 and all the relevant resolutions adopted subsequently by the General Assembly, by the Security Council and by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, concerning the question of Southern Rhodesia,

Deeply concerned over the deteriorating situation in Southern Rhodesia resulting from the continued acts of repression practised against the African people, the introduction of new measures aimed at denying them their legitimate political rights and the continued presence of South African forces in the Territory,

1. Expresses its profound indignation at the trial and conviction of the Referend Ndabaningi Sithole and the continued detention, imprisonment and assassination of other nationalist leaders by the illegal racist minority régime;

2. Expresses its concern at the steps being taken by the illegal régime to entrench, under the guise of a so-called new constitution, its policies of separate racial development in Southern Rhodesia, to the detriment of the legitimate rights of the African population;

3. Calls upon the administering Power to take immediate measures to secure the release of all political prisoners and to prevent the introduction of the so-called new constitution in the Territory;

4. Decides to keep the question of Southern Rhodesia under continuous review.

### 2. Resolution adopted by the Special Committee at its 698th meeting on 10 June 1969

The Special Committee,

Having considered the question of Southern Rhodesia,

Having heard the statements of the representatives of the liberation movements of Zimbabwe,

Recalling General Assembly resolution 1514 (XV) of 14 December 1960 containing the Declaration on the Granting of Independence to Colonial Countries and Peoples,

Recalling all the relevant resolutions adopted subsequently by the General Assembly, by the Security Council and by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, concerning the question of Southern Rhodesia,

Recalling further that the Security Council determined, in its resolutions 232 (1966) of 16 December 1966 and 253 (1968) of 29 May 1968, that the situation constituted a threat to international peace and security,

Deeply concerned over the deteriorating situation in Southern Rhodesia resulting from the continued acts of repression practised against the African people, the introduction of new measures aimed at denying them their legitimate political rights and the continued presence of South African forces in the Territory,

Deeply concerned also at the persistent threat to the sovereignty and territorial integrity of neighbouring African States resulting from the presence of South African armed forces in the Territory and the efforts of the illegal régime to suppress the freedom movements,

Bearing in mind that the primary responsibility for putting an end to the illegal racist minority régime in Southern Rhodesia and transferring effective power to the people of Zimbabwe on the basis of universal adult suffrage and majority rule, rests with the United Kingdom of Great Britain and Northern Ireland as the administering Power,

1. Reaffirms the inalienable right of the people of Zimbabwe to freedom and independence and the legitimacy of their struggle to attain that right in conformity with the provisions of General Assembly resolution 1514 (XV);

2. Declares illegal all steps being taken by the racist minority régime, including the so-called referendum, to further deprive the people of Zimbabwe of their legitimate rights and to entrench, under the guise of a new so-called constitution, its policies of separate racial development in Southern Rhodesia;

3. Notes with concern that the sanctions adopted have so far failed to put an end to the illegal racist minority régime;

4. Condemns the failure and refusal of the Government of the United Kingdom of Great Britain and Northern Ireland, as the administering Power, to take effective measures to bring down the illegal racist minority régime in Southern Rhodesia and to transfer power to the people of Zimbabwe on the basis of free elections by universal adult suffrage and of majority rule;

5. Condemns the intervention of South African armed forces in Southern Rhodesia which constitutes an act of aggression against the people of Zimbabwe;

6. Condemns the policies of the Governments of South Africa and Portugal and other Governments which continue to have political, economic, financial and other relations with Southern Rhodesia in contravention of the relevant United Nations resolutions;

7. Condemns the activities of those foreign economic and other interests which enable the illegal racist minority régime to circumvent the measures laid down in Security Council resolution 253 (1968) and which, by their exploitation of the people of Zimbabwe, are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;

8. Calls upon the Government of the United Kingdom, in fulfilment of its responsibility as the administering Power, to take effective measures, including the use of force, to put an immediate end to the illegal régime in Southern Rhodesia and to transfer all powers to the people of Zimbabwe on the basis of majority rule;

9. Calls upon the administering Power to ensure the immediate release of African nationalists who are in detention and to prevent further assassinations and imprisonment of African nationalists in Southern Rhodesia;

10. Calls upon all States as well as the specialized agencies and other international organizations concerned, bearing in mind that the Security Council in its resolution 253 (1968) has recognized the legitimacy of the struggle of the people of Zimbabwe to secure the enjoyment of their rights as set forth in the Charter of the United Nations and in conformity with the objectives of General Assembly resolution 1514 (XV), to extend all moral and material assistance to the national liberation movements of Zimbabwe directly or through the Organization of African Unity;

11. Calls upon the Government of the United Kingdom, in view of the armed conflict in the Territory and the inhuman treatment of prisoners, to ensure the application to that situation of the Geneva Convention relative to the Treatment of Prisoners of War of 12 August 1949; 1/

12. Draws the attention of the Security Council to the gravity of the situation arising from the intensification of suppressive activities against the people of Zimbabwe and from the danger of aggression against neighbouring States which constitute a threat to international peace and security;

13. Further draws the attention of the Security Council to the urgent necessity of applying the following measures envisaged under Chapter VII of the Charter of the United Nations:

(a) The scope of the sanctions should be widened further to include all the measures laid down in Article 41 of the Charter with respect to the illegal racist régime in Southern Rhodesia;

(b) Sanctions should be imposed on South Africa and Portugal, the Governments of which have blatantly refused to carry out the mandatory decisions of the Security Council;

14. Recommends that the General Assembly should include and consider the question of Southern Rhodesia as a separate item in the agenda of the twenty-fourth session.

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1/ United Nations, Treaty Series, vol. 75 (1950), No. 972.



## ANNEXES

### ANNEX I\*

#### WORKING PAPER PREPARED BY THE SECRETARIAT

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\* Previously issued under the symbol A/AC.109/L.531 and Add.1.

A. ACTION PREVIOUSLY TAKEN BY THE GENERAL ASSEMBLY, THE  
SPECIAL COMMITTEE AND BY THE SECURITY COUNCIL

1. The situation in Southern Rhodesia has been under continuous consideration by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples since 1962 and has been the subject of numerous General Assembly resolutions. It has also been considered by the Security Council both before and after the illegal declaration of independence. a/

2. By its resolution 232 (1966), the Security Council determined that the situation in Southern Rhodesia constituted a threat to international peace and security and inter alia decided that all States Members of the United Nations should impose selective mandatory sanctions including a ban on the import of certain commodities originating in Southern Rhodesia and the export to Southern Rhodesia of oil or oil products, arms and military equipment, aircraft and motor vehicles, or equipment and materials for the manufacturing, assembly or maintenance of such commodities.

3. On 29 May 1968, the Security Council, acting under Chapter VII of the Charter, adopted a further resolution on the question of Southern Rhodesia (resolution 253 (1968), the operative paragraphs of which read as follows:

"The Security Council,

...

"1. Condemns all measures of political repression, including arrests, detentions, trials and executions which violate fundamental freedoms and rights of the people of Southern Rhodesia, and calls upon the Government of the United Kingdom to take all possible measures to put an end to such actions;

"2. Calls upon the United Kingdom as the administering Power in the discharge of its responsibility to take urgently all effective measures to bring to an end the rebellion in Southern Rhodesia, and enable the people to secure the enjoyment of their rights as set forth in the Charter of the United Nations and in conformity with the objectives of General Assembly resolution 1514 (XV);

"3. Decides that, in furtherance of the objective of ending the rebellion, all States Members of the United Nations shall prevent:

"(a) The import into their territories of all commodities and products originating in Southern Rhodesia and exported therefrom after the date of this resolution (whether or not the commodities or products are for consumption or processing in their territories, whether or not they are imported in bond and whether or not any special legal status with respect to the import of goods is enjoyed by the port or other place where they are imported or stored);

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a/ For information on action prior to 1969, see the Special Committee's report to the General Assembly at its twenty-second and twenty-third sessions (Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (Part I), (A/6700/Rev.1), chap. III; A/7200/Add.1).

"(b) Any activities by their nationals or in their territories which would promote or are calculated to promote the export of any commodities or products from Southern Rhodesia; and any dealings by their nationals or in their territories in any commodities or products originating in Southern Rhodesia and exported therefrom after the date of this resolution, including in particular any transfer of funds to Southern Rhodesia for the purposes of such activities or dealings;

"(c) The shipment in vessels or aircraft of their registration or under charter to their nationals, or the carriage (whether or not in bond) by land transport facilities across their territories of any commodities or products originating in Southern Rhodesia and exported therefrom after the date of this resolution;

"(d) The sale or supply by their nationals or from their territories of any commodities or products (whether or not originating in their territories, but not including supplies intended strictly for medical purposes, educational equipment and material for use in schools and other educational institutions, publications, news material and, in special humanitarian circumstances, food-stuffs) to any person or body in Southern Rhodesia or to any other person or body for the purposes of any business carried on in or operated from Southern Rhodesia, and any activities by their nationals or in their territories which promote or are calculated to promote such sale or supply;

"(e) The shipment in vessels or aircraft of their registration, or under charter to their nationals, or the carriage (whether or not in bond) by land transport facilities across their territories of any such commodities or products which are consigned to any person or body in Southern Rhodesia, or to any other person or body for the purposes of any business carried on in or operated from Southern Rhodesia;

"4. Decides that all States Members of the United Nations shall not make available to the illegal régime in Southern Rhodesia or to any commercial, industrial or public utility undertaking, including tourist enterprises, in Southern Rhodesia any funds for investment or any other financial or economic resources and shall prevent their nationals and any persons within their territories from making available to the régime or to any such undertaking any such funds or resources and from remitting any other funds to persons or bodies within Southern Rhodesia except payments exclusively for pensions or for strictly medical, humanitarian or educational purposes or for the provision of news material and in special humanitarian circumstances, food-stuffs;

"5. Decides that all States Members of the United Nations shall:

"(a) Prevent the entry into their territories, save on exceptional humanitarian grounds, of any person travelling on a Southern Rhodesian passport, regardless of its date of issue, or on a purported passport issued by or on behalf of the illegal régime in Southern Rhodesia; and

"(b) Take all possible measures to prevent the entry into their territories of persons whom they have reason to believe to be ordinarily resident in Southern Rhodesia and whom they have reason to believe to have furthered or encouraged, or to be likely to further or encourage, the unlawful actions of the illegal régime in Southern Rhodesia or any activities which are calculated to evade any measure decided upon in this resolution or resolution 232 (1966) of 16 December 1966;

"6. Decides that all States Members of the United Nations shall prevent airline companies constituted in their territories and aircraft of their registration or under charter to their nations from operating to or from Southern Rhodesia and from linking up with any airline company constituted or aircraft registered in Southern Rhodesia;

"7. Decides that all States Members of the United Nations shall give effect to the decisions set out in operative paragraphs 3, 4, 5 and 6 of this resolution notwithstanding any contract entered into or licence granted before the date of this resolution;

"8. Calls upon all States Members of the United Nations or of the specialized agencies to take all possible measures to prevent activities by their nationals and persons in their territories promoting, assisting or encouraging emigration to Southern Rhodesia, with a view to stopping such emigration;

"9. Requests all States Members of the United Nations or of the specialized agencies to take all possible further action under Article 41 of the Charter to deal with the situation in Southern Rhodesia, not excluding any of the measures provided in that Article;

"10. Emphasizes the need for the withdrawal of all consular and trade representation in Southern Rhodesia, in addition to the provisions of operative paragraph 6 of resolution 217 (1965);

"11. Calls upon all States Members of the United Nations to carry out these decisions of the Security Council in accordance with Article 25 of the United Nations Charter and reminds them that failure or refusal by any one of them to do so would constitute a violation of that Article;

"12. Deplores the attitude of States that have not complied with their obligations under Article 25 of the Charter, and censures in particular those States which have persisted in trading with the illegal régime in defiance of the resolutions of the Security Council, and which have given active assistance to the régime;

"13. Urges all States Members of the United Nations to render moral and material assistance to the people of Southern Rhodesia in their struggle to achieve their freedom and independence;

"14. Urges, having regard to the principles stated in Article 2 of the United Nations Charter, States not Members of the United Nations to act in accordance with the provisions of the present resolution;

"15. Requests States Members of the United Nations, the United Nations Organization, the specialized agencies, and other international organizations in the United Nations system to extend assistance to Zambia as a matter of priority with a view to helping her solve such special economic problems as she may be confronted with arising from the carrying out of these decisions of the Security Council;

"16. Calls upon all States Members of the United Nations, and in particular those with primary responsibility under the Charter for the maintenance of international peace and security, to assist effectively in the implementation of the measures called for by the present resolution;

"17. Considers that the United Kingdom as the administering Power should ensure that no settlement is reached without taking into account the views of the people of Southern Rhodesia, and in particular the political parties favouring majority rule, and that it is acceptable to the people of Southern Rhodesia as a whole;

"18. Calls upon all States Members of the United Nations or of the specialized agencies to report to the Secretary-General by 1 August 1968 on measures taken to implement the present resolution;

"19. Requests the Secretary-General to report to the Security Council on the progress of the implementation of this resolution, the first report to be made not later than 1 September 1968;

"20. Decides to establish, in accordance with rule 28 of the provisional rules of procedure of the Security Council, a committee of the Security Council to undertake the following tasks and to report to it with its observations:

"(a) To examine such reports on the implementation of the present resolution as are submitted by the Secretary-General;

"(b) To seek from any States Members of the United Nations or of the specialized agencies such further information regarding the trade of that State (including information regarding the commodities and products exempted from the prohibition contained in operative paragraph 3 (d) above) or regarding any activities by any nationals of that State or in its territories that may constitute an evasion of the measures decided upon in this resolution as it may consider necessary for the proper discharge of its duty to report to the Security Council;

"21. Requests the United Kingdom, as the administering Power, to give maximum assistance to the committee, and to provide the committee with any information which it may receive in order that the measures envisaged in this resolution and resolution 232 (1966) may be rendered fully effective;

"22. Calls upon all States Members of the United Nations, or of the specialized agencies, as well as the specialized agencies themselves, to supply such further information as may be sought by the Committee in pursuance of this resolution;

"23. Decides to maintain this item on its agenda for further action as appropriate in the light of developments."

4. During 1968, the Special Committee first considered the question of Southern Rhodesia at meetings on 6 and 7 March, in the light of the situation arising from the execution of three Africans in the Territory. At its 581st meeting on 7 March the Special Committee adopted a resolution (A/7200/Add.1, section II A) in which it strongly condemned the assassination of the three Africans by the illegal racist minority régime. Deploring the failure of the Government of the United Kingdom of Great Britain and Northern Ireland to prevent the perpetration of such crimes in the colony of Southern Rhodesia, it urgently called upon that Government to take immediate and effective steps to prevent the recurrence of such crimes and to safeguard the person of the African inhabitants of Zimbabwe, and drew the urgent attention of the Security Council to the grave situation with a view to taking effective action to deal with it.

5. On 7 March the text of the resolution was transmitted to the President of the Security Council (S/8442) as well as to the Permanent Representative of the United Kingdom for the attention of his Government.

6. Following the execution of two more Africans in the Territory, the Special Committee gave further consideration to the question of Southern Rhodesia at meetings between 11 and 19 March. At the 590th meeting on 19 March, the Chairman made a statement reflecting the point of view of the majority of the members of the Special Committee, in which he observed, among other things, that since 1966, despite previous resolutions adopted by the General Assembly and the sanctions imposed by the Security Council, the economy of Southern Rhodesia remained buoyant while the political situation continued to deteriorate. The illegal racist régime had not only executed five Africans in defiance of the reprieve granted by the Queen, but also had embarked on a policy of racial segregation and apartheid similar to that in South Africa. It was increasing military co-operation with the racist régimes in South Africa and Mozambique in operations against the Zimbabwe freedom fighters, whose violent resistance to oppression was constantly growing. This widespread resistance had in turn brought down even greater repressive violence on the part of the illegal régime, which was at present being manifested in fresh reports of fighting in the Zambezi Valley and which possibly endangered the security of neighbouring States.

7. The Chairman recalled that in previous resolutions the General Assembly had called upon the Government of the United Kingdom to take immediately all the necessary measures, including the use of force, to put an end to the illegal racist minority régime in Southern Rhodesia and to ensure the immediate application of the Declaration on the Granting of Independence to Colonial Countries and Peoples. Now that the situation had deteriorated to this grave level, it was the duty of the Security Council to call upon the United Kingdom Government, in the most peremptory terms, to take action along the lines prescribed by the General Assembly.

8. In a letter dated 19 March to the President of the Security Council (S/8474), the Chairman drew the Council's attention to the text of his statement (A/7200/Add.1, section II B), as well as to the records of the debate and the documents available to the Committee.

9. At its twenty-third session, the General Assembly on the recommendation of its Fourth Committee adopted two resolutions on the question of Southern Rhodesia. The operative paragraphs of resolution 2379 (XXIII) of 25 October 1968, read as follows:

"The General Assembly,

...

"1. Calls upon the Government of the United Kingdom of Great Britain and Northern Ireland not to grant independence to Southern Rhodesia unless it is preceded by the establishment of a government based on free elections by universal adult suffrage and on majority rule;

"2. Calls upon all States not to recognize any form of independence in Southern Rhodesia without the prior establishment of a government based on majority rule in accordance with General Assembly resolution 1514 (XV)."

10. On 7 November 1968, the General Assembly adopted resolution 2383 (XXIII), the operative paragraphs of which read as follows:

"The General Assembly,

...

"1. Reaffirms the inalienable right of the people of Zimbabwe to freedom and independence and the legitimacy of their struggle to attain that right in conformity with the provisions of General Assembly resolution 1514 (XV);

"2. Affirms the responsibility of the United Kingdom of Great Britain and Northern Ireland, as the administering Power, for the continuing deterioration of the situation, and its conviction that the only effective way of quelling the rebellion in Southern Rhodesia is through the use of force by the administering Power;

"3. Condemns the failure and the refusal of the Government of the United Kingdom as the administering Power to take effective measures to bring down the illegal racist minority régime in Southern Rhodesia and to transfer power, based on free elections by universal adult suffrage and on majority rule, to the people of Zimbabwe;

"4. Affirms its conviction that the sanctions so far adopted will not put an end to the illegal racist minority régime unless they are comprehensive, mandatory, strictly supervised by force and complied with, in particular by South Africa and Portugal;

"5. Calls upon the Government of the United Kingdom to use force in order to put an immediate end to the illegal régime in Southern Rhodesia and, in this regard, noted with appreciation the offers of Zambia and the Democratic Republic of the Congo to make their territories and air space available for this purpose;

"6. Considers that any independence without majority rule in Southern Rhodesia is contrary to the provisions of General Assembly resolution 1514 (XV) and calls upon the United Kingdom to enter immediately into consultations with the representatives of political parties favouring majority rule;

"7. Condemns the policies of the Governments of South Africa and Portugal and all other Governments which continue to have political, economic, financial and other relations with Southern Rhodesia and which render direct or indirect economic, military and other assistance to the illegal racist minority régime, thus enabling it to sustain itself;

"8. Calls upon all States to bring to an end the activities of financial, economic and other interests operated by their nationals in Southern Rhodesia;

"9. Draws the attention of the Security Council to the urgent necessity of applying the following measures envisaged under Chapter VII of the Charter of the United Nations:

"(a) The scope of the sanctions should be widened further to include all the measures laid down in Article 41 of the Charter with respect to the illegal racist régime in Southern Rhodesia;

"(b) Sanctions should be imposed on South Africa and Portugal, the Governments of which have blatantly refused to carry out the mandatory decisions of the Security Council;

"10. Condemns the illegal intervention of South African forces in Southern Rhodesia and calls upon the United Kingdom, as the administering Power, to ensure the immediate expulsion of all South African armed forces, including the police, from Southern Rhodesia and to prevent all armed assistance to the racist minority régime;

"11. Condemns in the strongest terms the detention, imprisonment and assassination of African nationalists in Southern Rhodesia;

"12. Calls upon the administering Power to ensure the immediate release of all African nationalists who are in prison and in detention and to prevent further assassination of African nationalists in Southern Rhodesia;

"13. Calls upon the United Kingdom, in view of the armed conflict prevailing in the Territory and the inhuman treatment of prisoners, to ensure the application to that situation of the "Geneva Convention relative to the Treatment of Prisoners of War of 12 August 1949"; b/

"14. Urges all States, as a matter of urgency, to render all moral and material assistance to the national liberation movements of Zimbabwe, either directly or through the Organization of African Unity;

"15. Requests the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to keep the situation in the Territory under review, and invites the Secretary-General to report to the Special Committee on the extent of the implementation by Member States of the resolutions of the United Nations concerning the Territory;

"16. Calls upon the administering Power to report to the Special Committee on its actions in the implementation of the present resolution."

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b/ United Nations, Treaty Series, vol. 75 (1950), No. 972.

B. ACTION TAKEN PURSUANT TO SECURITY COUNCIL RESOLUTIONS  
232 (1966) AND 253 (1968)

11. On 31 July 1968, the President of the Security Council announced the appointment of Algeria, France, India, Paraguay, Union of Soviet Socialist Republics, the United Kingdom and the United States of America to the Committee established in pursuance of resolution 253 (1968) of 29 May 1968, c/ and the appointment of the representative of India as chairman for three months up to 31 December 1968.
12. On 28 August 1968, pursuant to paragraph 19 of resolution 253 (1968), the Secretary-General reported to the Security Council on the progress of the implementation of the same resolution (S/8786).
13. The Secretary-General stated that he had transmitted the text of the resolution to the Government of the United Kingdom by a letter dated 31 May 1968, in which he drew attention to operative paragraphs 1, 2, 17 and 21, which contained provisions which referred specifically to the United Kingdom as the administering Power for Southern Rhodesia. By notes dated 7 June 1968, he had transmitted the text of the resolution to all States Members of the United Nations or specialized agencies, drawing attention to operative paragraph 18 of the resolution, which called on them to report to the Secretary-General by 1 August 1968 on measures taken to implement that resolution.
14. The United Kingdom had replied to the Secretary-General on 16 July 1968, and by 27 August 1968 the Secretary-General had received replies from sixty Governments. He had also received replies from the heads of nine specialized agencies and from the United Nations High Commissioner for Refugees.
15. The substantive parts of the replies, many of which also made reference to measures taken in compliance with Security Council resolution 232 (1966), were reproduced in annexes attached to the report.
16. The Secretary-General further noted that, by letters dated 24 June 1968, he had also transmitted the text of the resolution to the Administrative Secretary-General of the Organization of African Unity (OAU), to the Secretary-General of the Organization for Economic Co-operation and Development, and to the heads of the United Nations Children's Fund (UNICEF), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the Economic Commission for Africa (ECA) and the United Nations Development Programme (UNDP). The substantive parts of replies received were reproduced as annex IV of his report.
17. By addenda to his report (S/8786/Add.1-3) dated 25 September, 10 October and 1 November, the Secretary-General set out the texts of twenty additional replies from Governments.

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c/ See operative paragraph 20 of Security Council resolution 253 (1968).

18. The first report of the committee of the Security Council was transmitted to the President of the Security Council on 30 December 1968. In it, the committee noted that as of that date, pursuant to paragraph 18 of the resolution, eighty-one States and four members of the specialized agencies had reported to the Secretary-General on measures taken to implement resolution 253 (1968) as called for in paragraph 22 of the same resolution. The United Kingdom, in compliance with paragraph 21 calling upon it, as the administering Power, to give maximum assistance to the committee and to provide the committee with any information it might receive, had submitted two notes, dated 15 and 16 November, relating to tobacco certificates and television material, and further notes on possible violations in trade in tobacco and chrome sand, as well as a note of the assessment of the United Kingdom Government of the effect of sanctions on the economy of Southern Rhodesia up to mid-1968. The committee had requested the Secretary-General to issue a further appeal to those States which had still not reported to do so without delay.

19. On the basis of available information received and analysed by the Secretariat, the committee informed the Security Council that the trade of Southern Rhodesia remained quite substantial in mid-1968, as resolution 232 (1966) called upon States only to cease trade with that Territory in certain commodities and as some States, apart from South Africa and Portugal, continued to trade with Southern Rhodesia in contravention of that resolution. The committee stated that it would investigate the nature and quantum of this trade and would submit its findings on possible violations of sanctions in future reports.

20. With respect to the continued trade with the illegal régime conducted by South Africa and Portugal, the Committee noted that South Africa appeared to have become Southern Rhodesia's major trading partner and that the Government of Portugal had permitted the free flow of goods to and from Southern Rhodesia. According to estimates by the Secretariat, South Africa's imports from Southern Rhodesia amounted to about \$80 million in 1967 and exports to about \$160 million. The preliminary data for January-March 1968 indicated that South Africa's exports to Southern Rhodesia could have been further expanded during the first half of 1968. The trade statistics for the first half of 1968 published by Portugal indicated imports from Southern Rhodesia of commodities prohibited by resolution 232 (1966) as follows: meat, \$0.5 million; sugar, \$1 million; tobacco, \$0.3 million.

21. The committee further noted that the statistics of reporting countries in certain cases had failed to distinguish Southern Rhodesia as a country of destination of exports or as a country of provenance of imports. The committee had decided to request the Secretariat to prepare a list of countries which had been trading with Southern Rhodesia but had ceased to furnish current relevant statistics, with a view to the matter being taken up by the Governments concerned.

22. Altogether the information provided by the Secretariat indicated a gap of about \$80 million in 1967 between exports reported by the illegal régime and the corresponding world trade.

23. The note prepared by the Secretariat on the trade of Southern Rhodesia, based on the replies of reporting countries and including statistical tables, as well as the notes submitted by the United Kingdom Government, were appended as annexes to the report.

## C. INFORMATION ON THE TERRITORY

### 1. POLITICAL DEVELOPMENTS

#### (a) Internal political developments

##### Constitutional proposals and related matters

24. The report of a constitutional commission, under the chairmanship of Mr. W.H. Whaley, set up by the illegal régime in March 1967 <sup>d/</sup> was published in Salisbury on 10 April 1968. The report rejected "perpetual or ultimate domination by one ethnic group over another" but considered that the Europeans, "because of their great competence and experience" should exercise the more authoritative voice at national government level for an indeterminate period. It recommended as the only acceptable solution ultimate racial parity of political representation. After rejecting the possibility of partition, the commission proposed a unitary form of government based on a two-chamber legislature. The second chamber, a 31-member senate, would have powers to initiate legislation of its own and delay bills passed by the legislative assembly. The latter would have 80 seats, of which 40 would be reserved for Europeans and 20 for Africans. The remaining 20 members would be elected on a common roll and these seats would be open to persons of either race. Thus, as Africans gained "experience and confidence" they could gradually take over the 20 common roll seats to achieve representational parity with the Europeans. As regards the franchise for the common roll seats, the commission proposed a range of franchise qualifications, based mainly on education and property ownership, which would be higher than those required of "A" roll voters under the 1961 Constitution. The senate's 31 members would include six chiefs elected by fellow chiefs; six Africans elected by tribal and urban electoral colleges; twelve elected Europeans and seven members elected by the Head of State on the advice of the government. Special proceedings were proposed for constitutional amendments. The commission further reported that the evidence it had received did not indicate that the declaration of a republic would bring immediate benefit to Southern Rhodesia, and it recommended the continuance of the existing system of land apportionment as contained in the Land Apportionment Act of 1930 and 1941.

25. The constitutional proposals which were open for discussion within the Rhodesian Front brought to a head political differences and conflicts between the centre (Mr. Smith's followers) and the right wing of the party (represented by the followers of Mr. William Harper, "Minister of Internal Affairs" and Lord Graham, "Minister of External Affairs and Defence", on the question of African representation and the introduction of apartheid in the future government of Southern Rhodesia. The followers of Mr. Smith were reported to be in favour of retaining African representation in "Parliament" and "separate development of the races" based on Southern Rhodesian history and traditions, which, according to

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<sup>d/</sup> See A/6700/Rev.1, chap. III, paras. 299-302.

Mr. Smith, was different from the system of apartheid. In opposition to Mr. Smith's proposals, the right wing of the party called for the creation of an apartheid-style state involving the exclusion of Africans from "Parliament" and the creation of Southern Rhodesian "bantustans" for Africans.

26. Meanwhile, following the receipt of the Whaley report, a joint committee of the parliamentary caucus and divisional chairmen of the Rhodesian Front was set up to prepare a blueprint constitution. The draft prepared by the joint committee (see below), which Mr. Smith presented to the party's Executive Committee at a meeting held on 15 July 1968, differed substantially from the recommendations of the Whaley Commission, but none the less envisaged African representation in a single parliament. In contrast, Lord Graham, the "Minister of Defence and External Affairs", presented the Executive Committee with a set of counter-proposals calling for an apartheid-style constitution with a three-tier system of government in which there would be a senate and two separate houses, for Europeans and Africans. Despite this confrontation, however, the Executive Committee, at the same meeting, by an overwhelming ballot of 97 in favour, with 2 against and 3 abstentions, passed a vote of confidence in the "Prime Minister, Mr. Ian Smith, the Government and the Party".

27. The proposals put forward by the joint committee, which were published on 17 July, called for the early establishment of a republic and for two systems of representation to be introduced over a five-year period. The first stage would embody the creation of a multiracial parliament and senate with African representation at about the present level. The second stage would involve the creation of three provincial assemblies, one for "each of the main racial groups", namely the Mashonas, Matabeles and Europeans (the latter including Asians and Coloureds) and the transformation of the parliament into a multiracial national assembly vested with powers which "could not be decentralized" in the provincial assemblies. The latter would have representation in the national assembly on the basis of the contribution of each province to the central exchequer as measured by personal income tax. The provincial assemblies would be responsible for affairs not handled at the national level, while the national assembly would deal with matters affecting the whole country, including national finance, defence, foreign relations, security, law and order and justice.

28. During stage one (interim period) the parliament would consist of a 23-member senate (10 members elected by Europeans, 10 nominated by African chiefs and 3 appointed by the Head of State) and a lower house of 68 (or 64) members. Half of the members would be Europeans, 18 (or 16) would be members of any race elected on a common roll and the remaining 16 would be Africans. In the last category, 10 African members would be returned to parliament by an electoral college composed of chiefs and headmen, while two would be elected by African master farmers and four by Africans living in urban areas. There would be specified income and educational qualifications but no cross voting between the electoral rolls. Amendments to the entrenched clauses of the proposed constitution would require a two-third majority of the senate and the lower house sitting together. The Head of State would be appointed by the government for a five-year term. Provisions relating to European and African land would be entrenched in the constitution and multiracial areas would continue as at present. A Land Tenure Act to control the occupation of land would be introduced simultaneously with the new legislation. The report concluded that in the unlikely event of a breakdown of co-operation, trust and goodwill between the areas, then a two-third majority of the national assembly should be empowered to authorize complete partition.

29. The proposals of the joint committee were presented, with the support of Mr. Smith and the party executives, to a constitutional Congress of the Rhodesian Front which met from 5 to 7 September 1968. In a narrow victory for Mr. Smith, they were adopted without amendment by 217 votes in favour, with 206 against and 80 abstentions, some of the delegates walking out of the Congress during the closing stages. The result of the voting represented a victory for Mr. Smith over the right wing of the party led by Mr. Harper and Lord Graham whose counter-proposals for an apartheid-style constitution with separate African and European houses and separate electoral rolls were, in effect, rejected. The Congress thereafter re-elected Mr. Smith as president of the Rhodesian Front.

30. The narrow victory won by Mr. Smith at the Congress signified a split with the right wing of the Rhodesian Front and resulted in the resignation of several of its leaders, including Mr. Harper and Lord Graham, and the formation of a right wing opposition party (see para. 35 below). It was clear, moreover, that although Mr. Smith had reasserted his leadership within the Front, many members had doubts concerning the constitutional proposals. Such doubts were implicit in a memorandum by the chairman of the Rhodesian Front which was circulated on 28 November to all divisional constituency and branch chairmen of the party urging them not to renominate present members of the "Legislative Assembly" for the next election if they thought the members did not sincerely believe in, and were not dedicated to, separate development of the races. Citing the example of South Africa where the policy of separation derived not from the Constitution but "from the heart and brain" of the Nationalist Party, he said that, should future events make it impossible to have "provincialization" entrenched in the constitution, it would be imperative to ensure that members of the "Legislative Assembly" were dedicated to this concept; if not, the white man would have no future in Southern Rhodesia.

31. Differences within the party were again revealed on 12 February 1969, when Mr. Smith announced that it had not proved possible to elaborate a draft constitution based on the proposals adopted by the Congress of the Rhodesian Front and that they had consequently been abandoned in favour of a new formula. These new proposals, which were disclosed in outline on 15 February, appear to represent a significant concession to the views of the right wing of the party. Although full details of the constitution now proposed are not yet available, preliminary reports in the Press indicate that it eliminates the first stage contained in the earlier proposals, and envisages the early introduction of the second stage in a modified form. Under the new plan, there would be, as previously proposed, three provincial assemblies, for the Mashonas, Matabeles and "whites" (including Asians and Coloureds) with a multiracial national assembly, members of which would, however, be elected directly from separate African and European electoral rolls. The national assembly would consist initially of 66 members, 50 of whom would be elected by "white", or non-African, voters, 8 by voters on the African electoral roll, and 8 seats would be filled by Africans elected by an electoral college of chiefs, headmen and members of African urban councils. Thus, initially the number of African representatives in the national assembly would be set at 16. However, the seats allocated to Africans would be increased in multiples of four whenever this was warranted by an increase in the contribution of the African "provinces" to the central exchequer as measured by personal income tax. The maximum number of African seats would, none the less, be limited to 50 out of a total of 100 seats, thereby ensuring that there would never be African majority rule. The present Constitutional Council would be replaced by a senate consisting, as previously proposed, of 10 "white" members elected by the national assembly, 10 African chiefs elected by the chiefs, headmen and African councillors, and 3

members nominated by the Head of State. According to the plan, the national assembly and senate would be created first and the provincial assemblies would be established thereafter.

32. The principal feature of the plan, which differs from the earlier proposal adopted by the Constitutional Congress of the Rhodesian Front, is the elimination of provision for a common electoral roll and its replacement by two separate electoral rolls based on race. In outlining the plan, Mr. Smith said that the new constitution would "entrench government in the hands of civilized people for all time". He revealed that the plan had already received widespread support from district committees of the Rhodesian Front and that he intended to submit it to a territory-wide referendum in May 1969. The "Parliament" would be asked in April to approve legislation providing for the referendum. Only a few days earlier he had reiterated his desire for a settlement with the United Kingdom (see para. 83 below).

33. On the day preceding the announcement of the new constitutional plan, the illegal régime also announced a 10 per cent increase in the individual income and means qualification for admission to the present electoral rolls. It was explained that this increase, which was the second since 1964, took account of a comparable decline in the purchasing power of the Rhodesian currency and that it would not affect persons at present inscribed on the rolls.

#### Resignations from the Rhodesian Front

34. During 1968, as a result of the growing split between the centre and right wing of the Rhodesian Front over the constitutional issue, the following resignations from the party were announced:

35. On 18 March 1968, Mr. Len Idensohn, a founder member of the Rhodesian Front and one of the party's divisional chairmen, announced that he had resigned to form a right wing opposition group, the Rhodesian National Party. Mr. Idensohn stated that the new party's aim would be to stop "clandestine racial integration". On 12 April 1968, a deputy chairman of the Rhodesian Front, Commander Christopher Phillips, resigned from the party in protest against the constitutional proposals contained in the Whaley report which, he said, did not guarantee continued white rule for Southern Rhodesia. He announced his intention of joining the recently formed right-wing Rhodesia National Party.

36. On 4 July 1968, Mr. William Harper, "Minister of Internal Affairs", resigned his post at the request of Mr. Ian Smith and subsequently resigned from the Rhodesia Front. On 11 September 1968, Lord Graham, the "Minister of External Affairs and Defence" also resigned from his post because of differences between himself and Mr. Smith on matters of principle. Lord Graham was the co-author, with Mr. Harper, of the alternative constitutional proposals calling for the introduction of political apartheid which had been rejected by the party Congress (see paras. 26 and 29 above).

37. On 12 September 1968, the entire 74-member Salisbury Central Constituency Council of the Rhodesian Front resigned from the party in protest against what they described as Mr. Smith's "dictatorial attitude". They were reported to have stated that they did not like the constitutional proposals put forward by Mr. Smith at the Congress.

38. In other developments, on 5 July 1968, Mr. Winston J. Field, a former Prime Minister of Southern Rhodesia (no connexion with the right wing), also resigned from the Rhodesian Front. Mr. Field was reported to have expressed dissatisfaction with the party leadership. On 23 September 1968, Mr. Robin James, member of the "Legislative Assembly" for Salisbury City, was expelled from the Rhodesian Front for his advocacy of right wing views.

#### Developments concerning other political parties

39. The Rhodesia National Party, which was formed in March 1968 by right wing dissidents of the Rhodesian Front, announced its principles on 5 November 1968. The party pledged itself to advocate the declaration of a republic with racial segregation, believing that it was the obligation of whites to lead and govern in Southern Rhodesia. It would maintain Southern Rhodesia as a completely autonomous republic with full and unfettered independence. The declaration stated that the party "upholds the principles of segregation of the races and undertakes to legislate to provide and maintain separate development to ensure that Rhodesia's racial groups are able to maintain their own identity, traditions, customs and way of life in order that they may pursue their national aspirations in their own spheres". e/

40. The formation of a new party, the Centre Party, was announced in Salisbury on 29 August 1968. The Centre Party, which grew out of the Centre Group (composed of professional men in Salisbury and Bulawayo) is led by Mr. T.H. Bashford, a tobacco farmer. The party's aim was stated to be to work for a settlement with Britain and the elimination of racial discrimination. On 28 November 1968, the Rhodesian Constitutional Association (RCA) merged with the Centre Party. With the merger, Mr. Bashford still remains chairman of the Centre Party with Mr. Bob Williams, the former chairman of the RCA, as its deputy chairman.

41. The formation of a third new political party (the Democratic Party) was announced in Salisbury on 31 August. The party's interim president is Mr. Agrippa Mukhalera, a teacher. The party was joined by Mr. Chad Chipunza, member of "Parliament" for Bindura, who said that he had resigned from membership of the United People's Party which constitutes the official Opposition in the Rhodesian "Legislative Assembly" to the ruling Rhodesian Front.

42. In another development, Mr. P. Mkudu, the leader of the United People's Party, was reported in February 1969 to have gone to Dar es Salaam and to have sought unsuccessfully to obtain a hearing by the Liberation Committee of the OAU. According to the Press, he is reported to have said that he wished assistance in organizing a campaign of constitutional opposition to the illegal régime. In a statement made in Dar es Salaam on 16 February 1969, he is said to have described the draft constitution outlined by Mr. Smith as being "nothing but apartheid" and to have added that the Rhodesian people must oppose it by all means.

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e/ In a by-election on 18 September 1968, the Rhodesian Front candidate retained the Gatooma seat in the "Legislative Assembly", defeating a candidate from the National Party by 810 votes to 65.

## Changes in the illegal régime

43. Following the resignation of Mr. Harper from the administration of the régime, Mr. Lance B. Smith was appointed "Minister of Internal Affairs". Also following the resignation of Lord Graham, Mr. John H. Howman was appointed "Minister of External Affairs and Defence", effective from 14 September 1968. On the same day, Mr. Pieter van der Byl was appointed "Minister of Information, Immigration and Tourism" to replace Mr. Howman. On 30 September 1968, Mr. David Smith was appointed "Minister of Agriculture" to succeed Mr. Rudland, now "Minister without Portfolio" in the administration.

## The illegal régime and the judiciary

44. On 23 July 1968, the Judicial Committee of the Privy Council ruled by a 4 to 1 majority in favour of Mr. Daniel Madzimbamuto, a detainee in Gwelo prison, that emergency regulations for detention without trial made by the Smith régime in Southern Rhodesia were illegal. The decision of the Privy Council overruled a decision of the Southern Rhodesian Appeal Court which had upheld the detention without trial on the grounds that as the Smith régime was the "de facto government" at least those of its acts which were valid under the 1961 Constitution, such as the declaration of a state of emergency and the issuance of regulations thereunder, were entitled to recognition and enforcement by the courts. The Privy Council's majority decision stated that the Southern Rhodesian Court's views were erroneous and that such regulations had no legal validity, force or effect. The Southern Rhodesian Act, 1965 and the accompanying Order in Council made it clear that the United Kingdom Parliament had removed from Southern Rhodesia the power to legislate for itself. Commenting on expressions such as "de facto government" which had on a number of occasions been applied to the illegal régime by the Southern Rhodesian Appeal Court, the judgement stated that these were conceptions of international law which were quite inappropriate in dealing with the legal position of a usurper within the territory of which he had gained control.

45. Following the ruling of the Privy Council, an Order was issued by the Queen in Council on 25 July to the Governor of Southern Rhodesia and to the Southern Rhodesian judges instructing them to carry out the decision of the Privy Council granting liberty to Mr. Daniel Madzimbamuto.

46. On 1 August 1968, Mr. Desmond Lardner-Burke, the "Minister of Justice, Law and Order", stated in the Legislative Assembly that the Privy Council's ruling in the appeal on behalf of the detainee would have no effect in Southern Rhodesia. As far as the régime was concerned, the Appellate Division of the High Court in Salisbury had given final judgement on the matter. On 9 August, it was reported that the Registrar of the Southern Rhodesian High Court had refused to accept a copy of the Order in Council commanding the release of Mr. Daniel Madzimbamuto (who had been placed under detention soon after the illegal declaration of independence in November 1965).

47. On 9 August 1968, Mr. Justice Davies ruled in the Salisbury High Court that the illegal régime had now achieved what he described as "internal de jure status" and that the judgement of the Judicial Committee of the Privy Council was not binding on the Court.

48. On 13 September 1968, the Appellate Division of the High Court of Southern Rhodesia, consisting of the Chief Justice, Sir Hugh Beadle, the Judge President, Sir Vincent Quenet, and Judge Hector Macdonald, sitting in Salisbury, ruled that the Smith régime was operating legally under the 1965 "Constitution", introduced after the illegal declaration of independence. Giving the summary of his judgement, the Chief Justice said that the Privy Council ruling made it legally impossible for any judge or public servant in Southern Rhodesia to carry on under the 1961 Constitution. If a judge or public servant decided to continue to remain in office he could only do so by accepting the situation in Southern Rhodesia as it was. "On the facts as they exist today the only prediction which this Court can make is that sanctions will not succeed in overthrowing the present Government and restoring the British Government to control in the sense of its former authority, and that there are no other factors which might succeed in doing so." Consequently, "it is no longer possible for a judge of the High Court to continue to sit as a Court under the 1961 Constitution...". In the circumstances, it was better for the judges to carry on as a court in the new situation. The court could do this only by "taking cognizance of the fact that... the 1965 Constitution was the only valid Constitution, which this Court now proceeds to do". Sir Vincent Quenet, the Judge President, said in his summary "The present Government has achieved internal de jure status. It follows that while the judges of this Court exercise their judicial functions, they must give effect to the laws of the Constitution of the present Government". Mr. Justice MacDonald, the Appeal Judge, stated in his summary that "the British Government have forfeited authority over Rhodesia as well as any claim to the allegiance of its people".

49. On the same day, the Commonwealth Office stated that the judgement could not change the constitutional position. This was that the Judicial Committee of the Privy Council was the supreme tribunal of the country under Southern Rhodesia's only lawful Constitution, and that the law was as stated by it.

#### Security legislation

50. During the period under review, the state of emergency which was declared in Southern Rhodesia on 5 November 1965 was given the necessary quarterly extension by the "Legislative Assembly" up to March 1969. On 24 January 1969, however, the "Legislative Assembly", at the behest of the "Government", enacted an amendment to the 1965 "Constitution" making it possible for the illegal régime to obtain legislative approval for twelve-monthly extensions of the state of emergency. The amendment was approved by 50 votes to 12 after a heated debate in which the opposition United Peoples Party had protested that it would prevent the "Legislative Assembly" from reviewing the situation at frequent intervals.

51. On 8 April 1968, the régime published a Government Gazette lifting emergency censorship of the Press and radio broadcasting with immediate effect. Censorship had been imposed on the day of the illegal declaration of independence, 11 November 1965.

52. On 8 August 1968, the "Legislative Assembly" extended until 31 August 1970 the relevant sections of the Law and Order (Maintenance) Act to empower the Minister of Justice, Law and Order to restrict persons if it was considered desirable for maintaining law and order. According to official figures, on 1 January 1969, there were 142 persons in detention under the emergency regulations, and 237 in restriction, a total of 379 compared with 435 in October 1968.

53. On 27 September 1968, the "Legislative Assembly" passed the Law and Order (Maintenance) Amendment Bill, abolishing the mandatory death sentence from the Law and Order (Maintenance) Act. The bill, which was subsequently signed by the "Officer Administering the Government", restores the Court's discretion to pass death sentences for offences under the act.

54. The mandatory death penalty was first introduced into the Law and Order (Maintenance) Act at the beginning of 1963, making the death penalty mandatory in cases involving the use of petrol bombs or explosives for "acts of terrorism". The second case where the mandatory death sentence was inserted into the Law and Order (Maintenance) Act was in 1967 when section 48A was introduced imposing the mandatory death penalty for persons possessing arms or war with intent to endanger the maintenance of law and order in Southern Rhodesia or any part of Southern Rhodesia or in a neighbouring territory. Many Africans have been condemned to death under the above Act (see para. 58 below); many more have been given long prison sentences, including life imprisonment.

#### Illegal executions

55. On 6 March 1968, three Africans sentenced to death before the illegal declaration of independence in 1965, were executed at Salisbury Central Prison. The men, who were the subject of a reprieve by the Queen, were hanged after the Appellate Division of the High Court of Southern Rhodesia had confirmed the illegal régime's right to execute them and rejected an application for leave to appeal to the Privy Council in London. f/ Two of the men executed, James Dlamini and Victor Mlambo, were sentenced under the Law and Order (Maintenance) Act for the petrol bomb murder of a European farmer. The third, Duly Shadreck, was convicted of murder under the common law. Two more Africans, sentenced to death in 1964 for the murder by shooting of a sub-chief, were executed in Salisbury on 11 March 1968; they were Francis Chirisa and Takauraye Jeremiah.

56. Following the executions, the United Kingdom Government stated that nothing could remove or reduce the grave personal responsibility that rested on all those involved in the executions. The legal implications of what had been done were being considered by the Attorney-General.

#### Review of death sentences

57. A statement issued by the illegal régime on 13 March 1968 stated that a total of 85 cases of Africans held under sentence of death had so far been reviewed. Reprieves had been granted to 47, 5 had been executed and the remaining 33 cases required further consideration. The statement said that these 33 cases included the most serious ones, but that they would be dealt with as speedily as possible.

58. Seventy-five more Africans were sentenced to death in 1968, mostly under the mandatory hanging clause of the Law and Order (Maintenance) Act. By 6 December 1968, it was reported that there were 117 men and 1 woman (all Africans) under sentence of death in Southern Rhodesia (including the 33 listed above). Forty-six of the condemned were sentenced for common law murder, but most of the others were African guerrilla fighters sentenced under the Law and Order (Maintenance) Act. Some of the condemned prisoners had been awaiting execution for three or four years.

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f/ See A/7200/Add.1, paras. 49-55.

59. Following the abolition of the mandatory hanging clause of the Law and Order (Maintenance) Act (see para. 53 above), it was reported on 6 December 1968 that the régime was reviewing the death sentences. On 16 December 1968, it was reported that 25 persons condemned to death had been reprieved and their sentences commuted to life imprisonment, and that appeals against the death sentence had been dismissed in respect of 32 others. According to a statement issued by the illegal régime there remained 92 condemned prisoners whose sentences had yet to be reviewed.

#### Trial of the Reverend Sithole

60. On 20 January 1969, the Reverend Ndabaningi Sithole, leader of the Zimbabwe African National Union (ZANU) was brought before a magistrates' court in Salisbury and committed for trial on charges of incitement and conspiracy to murder. Mr. Sithole, who has been in detention under the emergency regulations since 1964, was charged on three counts. The principal count alleged incitement to murder Mr. Ian Smith as well as Mr. Lardner-Burke, the "Minister of Justice and Law and Order", and Mr. John Howman, the "Minister of External Affairs and Defence". The two subsidiary counts, arising out of the same charge, alleged conspiracy to murder and contravention of the Law and Order (Maintenance) Act.

61. When the trial opened in the High Court on 3 February, Mr. Sithole, who pleaded not guilty on all three counts, was charged with having written a coded letter to an unnamed African ("Mr. X") asking him to hire assassins to kill the three "ministers". Both "Mr. X" and an unnamed woman ("Mrs. Y"), who was alleged to have acted as a courier, appeared before the court in camera as witnesses for the prosecution. A handwriting expert, appearing for the prosecution, also testified that the letter, which was signed with a non-de-plume, was in Sithole's handwriting and that it bore his fingerprint. The defence conceded that Mr. Sithole had corresponded with the witness in the past and had made use of the code, but denied that he had written the letter in question or that he had ever suggested violence. The head of the British residual mission, accompanied by a British legal expert, attended the trial as an observer.

62. At the conclusion of the trial, on 12 February, Mr. Sithole was convicted on the principal count and was sentenced to serve six years at hard labour. In a statement before the sentence was handed down, Mr. Sithole declared that he wished publicly to dissociate himself from any subversive activities, terrorism or violence in any form. The defence announced its intention of appealing the verdict.

#### Fighting in the Zambezi Valley area

63. In mid-March 1968, African nationalist guerrillas were reported to have opened an offensive across the Zambezi River into Southern Rhodesia. The nationalist offensive was reported to be the first major strike into Southern Rhodesia since August 1967. Sporadic fighting between the nationalist guerrilla forces and the security forces of the illegal régime was reported between mid-March and the first week of August 1968.

64. In a joint statement issued in Lusaka on 19 March 1968, the Zimbabwe African Peoples Union (ZAPU) and the South African National Congress (ANC) stated that it was the freedom fighters of the ZAPU-ANC alliance who were carrying out the second

great offensive against the rebel Smith régime. This second offensive, it said, was an extension of the offensive of 1967. On the same day, the Zimbabwe African Nationalist Union (ZANU) also issued a statement in Dar es Salaam in which it hailed its supporters in Southern Rhodesia for taking an early initiative in punishing the rebels.

65. In a communiqué on 12 August, the illegal régime stated that in all operations during 1968 over 100 guerrilla fighters from across the Zambezi River had died as a result of engagements with security forces. On the Southern Rhodesian side, it reported, six members of the security forces had been killed and nine wounded. It also reported that one South African policeman had been killed in the fighting and three others wounded. According to the régime, among the guerrillas captured and killed were a number of members of the banned ANC.

66. On 24 January 1969, during the debate in the "Legislative Assembly" on extension of the state of emergency, Mr. Lardner-Burke, "Minister of Justice and Law and Order" said that no infiltrations had occurred since November. This did not mean, however, that the threat was receding, as there were still large numbers of guerrillas waiting beyond the Territory's borders.

#### African (Urban Areas) Accommodation and Registration Act

67. The above act (see A/7200/Add.1, para. 20), which has been described as Southern Rhodesia's version of the Group Areas Act of South Africa, came into effect in a large part of the greater Salisbury area on 5 October 1968. It is now illegal in seven peri-urban suburbs for a domestic servant to have his family living at his place of employment without official permission. An estimated 3,000 Africans families were reported as being moved to African townships sometimes fourteen miles away or further. It was reported that mass removals had already started. In the seven "designated suburbs" of Salisbury, all servants' quarters have to be licenced and approved. Servants' quarters which are deemed inadequate must be vacated. Adequate quarters can be occupied only by the employee himself, although his family may be permitted to remain with him until accommodation becomes available. The removal scheme has been criticized on the grounds that it separates families.

#### Rhodesian flag

68. On 1 October 1968, the "Legislative Assembly" passed the Flag of Rhodesia Bill to give the illegal régime a flag of white and green vertical stripes with the coat of arms on the central white strip. The new flag was raised on the third anniversary of the illegal declaration of independence on 11 November 1968.

(b) The United Kingdom and Southern Rhodesia

Restatement of United Kingdom policy on the use of force

69. In a statement in the House of Commons on 27 March 1968, the Prime Minister of the United Kingdom, Mr. Harold Wilson, restated his Government's policy on the use of force to bring down the illegal régime. The Prime Minister said that it was accepted in Commonwealth conferences and in the United Nations that Southern Rhodesia was a British responsibility, but the demand was frequently made that the United Kingdom should solve the problem once and for all by a recourse to force. This demand was understandable, "but it is, and always has been, the view of Her Majesty's Government that, whatever the theoretical or legal position, the use of force to impose a constitutional settlement would be wrong". It was no fault of the present United Kingdom Government or of its immediate predecessors that "uniquely among non-independent members of the Commonwealth, Rhodesia has had for forty years her own forces, under the command of the local authorities and heavily permeated by racialist doctrine. At a time when passions run high in southern Africa, let no one underrate the danger that the use of force would escalate into a conflagration which could spread across the entire continent. Even if this danger could be averted, there can be little doubt that Britain would find herself confronted by a situation of physical destruction and racial bitterness in Rhodesia, which, for years to come, would frustrate the hopes and prospects of the very people we are trying to help."

Visit of Mr. Bottomley to Southern Rhodesia

70. Mr. James Bottomley, Assistant Under-Secretary of State of the Commonwealth Office, visited Southern Rhodesia from 20 to 23 September 1968, for what was described as a routine visit. While in Southern Rhodesia, Mr. Bottomley had discussions with the Governor, the head of the United Kingdom's residual mission in Salisbury, and with Mr. Ian Smith. In addition, he had discussions with other Southern Rhodesians of different races, occupations and political views who had asked to see him. On his return to London he reported to the United Kingdom Government that he had found a widespread feeling in Salisbury that recent changes in the political climate there afforded some prospect that a fresh attempt to achieve a settlement might be successful. At the same time, however, Mr. Bottomley had reported that Mr. Smith, while expressing his readiness for an early meeting, had not given him any indication of a change of position on the fundamental issues which had made agreement impossible over the past five years.'

71. Subsequently, the United Kingdom Government stated that it had insisted in a further communication that Mr. Smith should confirm that he understood that, if talks were to be held, there could be no concessions by Britain which would weaken

or undermine the six principles, which the United Kingdom Government had laid down as a basis for a settlement. g/ This Mr. Smith had done, indicating that he, in turn, regarded certain matters as of fundamental importance to himself and to those he represented.

Talks between the Prime Minister of the United Kingdom and Mr. Ian Smith

72. Following the above developments, the Prime Minister of the United Kingdom, Mr. Harold Wilson, and Mr. Ian Smith, held talks on board H.M.S. Fearless in Gibraltar from 9 to 13 October 1968. An announcement from the Prime Minister's office stated that the talks would be aimed at discovering whether it would be possible to arrive at a settlement of the Southern Rhodesian problem which would be acceptable to both sides.

73. For the talks in Gibraltar, Mr. Wilson was accompanied by the Commonwealth Secretary, Mr. George Thomson, and the Attorney General, Sir Elwyn Jones, and other officials. On the Southern Rhodesian side were Mr. Ian Smith, Mr. J.H. Howman, "Minister of External Affairs, Defence and Public Services", Mr. Desmond Lardner-Burke, "Minister of Justice, Law and Order", and other officials. The Governor of Southern Rhodesia was present in Gibraltar for the duration of the talks.

74. A communiqué issued at Gibraltar on 13 October 1968 stated that the British and Southern Rhodesian delegations had ended their talks after four days of intensive discussions. Both sides came to Gibraltar fully aware of the deep differences that existed between them, deriving from fundamental disagreement on major issues of principle. Nevertheless, both sides came determined to see whether it was possible to reach agreement on a just, honourable and lasting settlement of the problem of Southern Rhodesia. In the course of thirty hours of discussion, some progress was made, but disagreement on fundamental issues still remained. The Prime Minister and his colleagues therefore gave to Mr. Smith a document (see below) setting out a basis on which, subject to the approval of

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g/ The following are the six principles on which the United Kingdom Government has stated that it would need to be satisfied before the granting of independence to Southern Rhodesia:

- (1) The principle and intention of unimpeded progress to majority rule, already enshrined in the 1961 Constitution, would have to be maintained and guaranteed.
- (2) There would also have to be guarantees against retrogressive amendment of the Constitution.
- (3) There would have to be immediate improvement in the political status of the African population.
- (4) There would have to be progress towards ending racial discrimination.
- (5) The United Kingdom Government would need to be satisfied that any basis proposed for independence was acceptable to the people of Rhodesia as a whole.
- (6) It would be necessary to ensure that, regardless of race, there was no oppression of majority by minority or of minority by majority.

the British Cabinet, a Southern Rhodesian independence settlement would be introduced into Parliament. Mr. Smith and his colleagues had taken the document away with them for consideration with their colleagues in Salisbury. It was agreed that adequate time should be allowed for its consideration. The communiqué stated that at the end of the talks both sides recognized that a very wide gulf still remained between them on certain issues. The Prime Minister said that the Commonwealth Secretary would be available to fly out to Salisbury if it was felt by Mr. Smith and his colleagues that this would assist them in their consideration of the document.

#### British proposals for a settlement

75. The text of the British proposals presented to Mr. Smith for a settlement of the Southern Rhodesian dispute was published in a White Paper h/ on 15 October 1968. The proposals were in six parts, the first of which, relating to a new constitution for Southern Rhodesia, read as follows:

#### "The Constitution

"The 1961 Constitution (as amended before November 1965) with the changes outlined below to meet the first, second, third and sixth principles. Details to be worked out by a joint working party of officials as soon as possible.

#### "(1) The Governor

"Governor-General to be appointed on the advice of the Rhodesian Government.

#### "(2) The Legislature

"The composition to be:

##### Legislative Assembly

33 'A' Roll seats	}	Each block of seats to cover the whole country
17 'B' Roll seats		
17 Reserved European seats		

##### The Senate

The composition to be:

12 European seats (elected by Europeans on the 'A' Roll.  
Six members to represent Mashonaland and six members  
to represent Matabeleland).

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h/ Rhodesia, Report on the Discussions held on Board H.M.S. Fearless  
(London, HMSO, Cmd. 3793).

8 African seats (elected by Africans on 'A' and 'B' Rolls voting together. Four members to represent Mashonaland and four members to represent Matabeleland).

6 Chiefs (elected by the Chiefs' Councils - three to represent Mashonaland and three Matabeleland, elected on a provincial basis).

"(The British Government are prepared to consider variations in the composition of the Legislature, including increased Chiefly representation, provided that it secures at all times a 'blocking quarter' of directly and popularly elected Africans.)

"The qualifications for Senators will be higher than those for members of the Legislative Assembly.

"Ministers may be members of either House. A Minister shall have the right to speak but not vote in the House of which he is not a member.

### "(3) Franchise

"The 'B' Roll franchise to be extended to include all Africans over thirty who satisfy the citizenship and residence qualifications.

"Reserved European seats - to be elected by the European electorate.

"Cross voting to be retained at 25 per cent and applied to all seats in the Legislative Assembly filled by 'A' and 'B' Roll elections.

### "(4) Delimitation

"Alteration in the composition of both Houses and in number of seats to be effected by special entrenchment procedure. But the terms of reference of the Delimitation Commission are to incorporate a formula as follows:

"The overriding objective of the Commission is so to divide the constituencies that the proportion of those with a majority of African voters on the 'A' Roll at the time of delimitation is the same as the proportion of African voters then on the 'A' Roll for the country as a whole.

"Subject to this, the Commission is to take into account the factors specified in section 38.

### "(5) Terms of Office of Senators

"20 elected members - as for Legislative Assembly.

"6 Chiefs - as for Legislative Assembly although a Chief will vacate his office as a Senator if he ceases to be a Chief.

Chiefs are only to be removed from office on the recommendation of an impartial judicial tribunal.

"(6) Powers of the Senate

"The powers of the Senate will be:

"(a) Review of legislation (but no veto).

"(b) Power equally with the Legislative Assembly to initiate legislation, but only in respect of Tribal Land, Law and Custom.

Delaying powers for up to six months in respect of Bills on Tribal Land, Law and Custom sent to it by the Legislative Assembly.

"(c) Amendment of Constitution - see below.

"(7) Executive Powers

"The Governor-General will act on Ministers' advice in all matters.

"(8) Amendment of the Constitution

"Ordinary amendments of the Constitution will require, as now, a vote of two thirds of the total membership of the Legislative Assembly.

"A Bill to amend one of the specially entrenched provisions of the Constitution will require a vote of at least three quarters of the total membership of both Houses voting together. In addition there will be a system of appeal against such an amendment either on the ground that it discriminates unjustly, or has the effect of discriminating unjustly, between the races; or on the ground that it derogates from the principles of the Declaration of Rights contained in the Constitution. Where the Bill has been adversely reported on by the Constitutional Council on either of these grounds, it will be referred by that Council to the Judicial Committee of the Privy Council and will not come into effect unless and until the Judicial Committee rejects the appeal. Where the Constitutional Council has not made an adverse report, any person who is a citizen of Rhodesia may, within a specified time, ask for a certificate from the Constitutional Council that there is a case for consideration by the Judicial Committee. If the Constitutional Council grants him a certificate, he may himself appeal to the Judicial Committee within a specified time and again the Bill will not come into effect unless and until the Judicial Committee rejects the appeal. If, however, the Constitutional Council refuses to grant a certificate, there can be no appeal to the Judicial Committee unless the Committee itself grants an application for special leave to appeal. In that case the Bill may be brought into effect without waiting for the appeal to be determined. This system of appeal will be unamendable for fifteen years from the commencement of the new Constitution. Thereafter it can be modified in the same way as the other specially entrenched provisions."

76. The other proposals presented to Mr. Smith called for the following:

(a) A vigorous and extended programme of African education, for which the British Government would provide a sum of up to £50 million, spread over ten years,

to be matched against equal sums to be provided by the Southern Rhodesian Government which would have an important bearing on the number of Africans able to qualify for the 'A' Roll franchise;

(b) A commission, agreed upon by both parties, which would be set up to study and make recommendations on problems of racial discrimination, including the Land Apportionment Act and the possibility of extending the competence of the Constitutional Commission to embrace pre-1961 legislation. Thereafter a Standing Commission would be appointed to keep the problems of racial discrimination under review;

(c) The British Government would establish a Royal Commission as soon as possible for the purpose of testing the acceptability to the people of Rhodesia as a whole of a new independence constitution based on any agreement to be reached. Special arrangements would be required before and during the test to ensure freedom of expression, the release of persons from detention and to enable Southern Rhodesian Africans living abroad to return for the test. An additional task of the Commission would be to inquire into the arrangements for the registration of eligible voters under the widely extended franchise which is proposed with a view to encouraging greater African participation in Rhodesian political life;

(d) As soon as possible after acceptance of the proposals Mr. Smith would be required to form a broad-based administration which would include Africans. This would remain in office until the new constitution had been introduced, elections held under it and a new Parliament convened.

77. On the same day as the proposals were published, Prime Minister Wilson made a statement in the House of Commons on the Gibraltar talks. He said that the United Kingdom would not agree to the implementation of any settlement that had not first been shown to be acceptable to the people of Rhodesia as a whole - the fifth principle on which all else depended. The position of his Government at the end of the talks, as throughout the past years, remained the position repeatedly stated by the Commonwealth Secretary - "no sell out, no slamming the doors by us". As regards the proposals, he stated that, while there could be no change in his Government's attitude on fundamental issues, on other matters there could be further discussion; and that the United Kingdom Government would be ready to consider alternative drafts on these non-fundamental matters. The key to a settlement was and must remain the six principles (see para. 71 above) which were cardinal to the future of Southern Rhodesia - the future of Southern Rhodesians of all races, for whom the British Parliament stood as trustee.

#### Mr. Ian Smith's reaction to United Kingdom proposals

78. On 16 October 1968, Mr. Ian Smith stated in a broadcast that the provision for appeals to the Judicial Committee of the Privy Council on amendments to the entrenched clauses of the proposed constitution were completely unacceptable, as it would be a derogation of the sovereignty of the Rhodesian Parliament. He appealed to Mr. Wilson to remove this provision from the proposals. In a statement in the "Legislative Assembly" on 18 October 1968, Mr. Smith also stated that the African "blocking quarter" in the proposed legislature was unacceptable without the inclusion of chiefs. He also described as obnoxious the interim arrangement proposed by the United Kingdom which called for a broadly based government including Africans.

## Alternative proposals concerning the proposed role of the Judicial Committee of the Privy Council

79. On 22 October 1968, Mr. Harold Wilson made a statement in the House of Commons in which he stated that while the United Kingdom Government felt that the Judicial Committee of the Privy Council was the best type of reinforcement required for guaranteeing against retrogressive amendment of the Constitution, alternative instruments could be considered. Other alternatives the United Kingdom Government was willing to consider were: (1) a judicial committee consisting of Chief Justices of, for example, Britain, Southern Rhodesia, Australia, New Zealand, South Africa, Malawi, or other African countries, or their alternates, such a tribunal sitting in Salisbury; (2) alternatively, the United Kingdom Government would have been prepared to dispense with a judicial type review if, as part of a settlement, an undertaking were given that there would be no amendment of the entrenched clauses for a given period ahead - say, the fifteen years mentioned in the White Paper. Such a proposal could be embodied in a treaty between the two Governments, as had been proposed on a number of occasions. Any treaty or intergovernmental agreement would be limited to this guarantee.

## Visit of United Kingdom Minister to Southern Rhodesia

80. Mr. George Thomson, Minister without Portfolio, visited Salisbury from 2 to 16 November 1968, for further talks on the United Kingdom proposals. During his visit he met with Mr. Ian Smith and other members of his régime, and also with other groups and individuals representing a cross-section of Southern Rhodesian opinion, including the two African nationalist leaders, Mr. Joshua Nkomo (ZAPU) and the Rev. Ndabaningi Sithole (ZANU) who were released briefly from detention, at his request, to confer with them.

81. On 18 November 1968, Mr. Thomson made a statement in the House of Commons on the result of his talks in which he said that he and Mr. Smith had not been able to reach agreement on any of the substantive issues raised by Mr. Smith (see para. 78 above). The major point of disagreement was a second safeguard for unimpeded progress to majority rule, and against retrogressive amendment of the Constitution, for which the United Kingdom Government believed the Judicial Committee of the Privy Council would provide the best instrument. To be acceptable to the United Kingdom Government, any alternative method must be fully as effective as that provided by the Judicial Committee. Mr. Smith, however, had shown no interest in the other forms of judicial safeguards mentioned by the Prime Minister on 22 October 1968 (see para. 79 above). In the circumstances, Mr. Thomson had put forward a further alternative proposal for a second safeguard of a different character. Under this proposal, the Judicial Committee of the Privy Council would have the task of deciding whether a proposed amendment was of such a kind that the second safeguard should be brought into operation. This question would only come before the Judicial Committee on an initiative either by an agreed number of members of the Southern Rhodesian Parliament or by the Constitutional Council in Rhodesia. If the Judicial Committee considered that the second safeguard should be brought into operation, the people of Southern Rhodesia themselves, including the African majority, would decide, in a referendum of the 'A' and 'B' Roll electors, voting separately, whether the amendment should be proceeded with in the Southern Rhodesian Parliament or not. Mr. Smith had rejected the principle on which this alternative proposal was based but had presented no proposals of his

own for a second guarantee. According to Mr. Thomson, this was the fundamental point of difference between them but it was not by any means the only issue or principle on which they had differed. He listed six other differences but stated that Mr. Smith had told him that if agreement was reached on the second safeguard then the other points could be quickly resolved.

82. Finally, Mr. Thomson stated that the British proposals set out in the White Paper and the alternative suggestions on the second safeguard which he had put to Mr. Smith during his visit, remained open for consideration in Southern Rhodesia.

#### Subsequent developments concerning the talks

83. Despite their failure to reach agreement, both the United Kingdom Government and Mr. Smith made it clear that neither side excluded the possibility of further negotiations. In more than one public statement, the latest on 29 January 1969, Mr. Smith was reported to have said that he still desired a settlement with the United Kingdom and he was also said to have hinted that counter-proposals were being prepared. By mid-February 1969, however, the only communication from Mr. Smith reported to have been received in London contained a request for clarification of the second safeguard proposed by Mr. Thomson.

#### Commonwealth conference

84. The nine-day conference of Commonwealth Prime Ministers in London which ended on 15 January 1969 provided a further opportunity for a broad exchange of views between the Commonwealth heads of government on the problem of Southern Rhodesia. According to press reports and to the final communiqué issued at the conclusion of the conference many of the participants considered that the Fearless proposals were unacceptable and should be withdrawn because they were incompatible with the pledge given earlier by the United Kingdom that independence would not be granted to Southern Rhodesia before majority rule was attained (NIBMAR). Early in the conference, efforts to obtain a formal reaffirmation of the pledge failed because the United Kingdom Government considered that to give such a reaffirmation would close the door to further negotiations. Prime Minister Wilson was reported to have said that to withdraw the Fearless proposals would be to give encouragement to racial extremists in Southern Rhodesia. He stressed that the proposals accorded fully with the six principles which successive United Kingdom Governments had laid down as the basis for a settlement and that the people of Southern Rhodesia as a whole should be given an opportunity to decide for themselves whether or not they wished a settlement which would be consistent with these principles.

#### Southern Rhodesia Act 1965 (Continuation) Order, 1968

85. On 22 October 1968, the House of Commons in the United Kingdom approved the Southern Rhodesia Act 1965 (Continuation) Order, 1968, by which the United Kingdom Government was empowered for one further year to legislate for Southern Rhodesia by orders in council and to provide for executive authority in Southern Rhodesia to be exercised by the United Kingdom Government.

## (c) Relations of Southern Rhodesia with other Governments

### Relations with South Africa

86. As noted in the report of the Committee established in pursuance of Security Council resolution 253 of 29 May 1968 (S/8954), the Government of South Africa had not, as of 30 December 1968, replied to the inquiries from the Secretary-General concerning measures taken by it to implement Security Council resolution 232 (1966) and 253 (1968). Commenting on the latter resolution, the Minister for Foreign Affairs of the Republic of South Africa, Mr. Muller, told the Parliament in Cape Town on 30 May 1968, that his Government's attitude to the Southern Rhodesian issue remained unchanged - it would not support the new Security Council resolution. South Africa did not believe in boycotts, particularly in southern Africa, where States were so closely linked together and where efforts were being made to build up the economy of southern Africa. Mr. Muller said the issue remained one which must be solved by negotiations between the United Kingdom Government and Southern Rhodesia alone. He believed that in spite of the Security Council resolution the two countries would still find a solution by themselves.

87. On 31 May 1968, the Minister of Justice of the Republic of South Africa, Mr. Delser, said that the South African police who were helping to "mop up the terrorists" in Southern Rhodesia would continue to do so for as long as they were required. On 2 August 1968, it was reported that a Southern Rhodesian police recruiting team in South Africa was engaged in recruiting many young South Africans to join the British South Africa Police Force of Southern Rhodesia. The recruiting team was reported to have stated that response had been very favourable and that the recruitment campaign would continue in all the major cities of the Republic.

88. Mr. Ian Smith visited South Africa on the invitation of the South African Prime Minister, Mr. Vorster, from 26 to 28 July 1968. Mr. Smith was accompanied by Mr. Lardner-Burke, the Southern Rhodesian "Minister of Justice, Law and Order" and Lord Graham, the "Minister of Defence and External Affairs". On 27 July 1968, Mr. Vorster was reported to have stated that he and Mr. Smith had taken advantage of the visit to discuss matters affecting both countries. They had talked about guerrilla activities and related matters of mutual interest. The discussions had been "very fruitful".

### Relations with Portugal

89. Following the adoption of Security Council resolution 253 (1968), Portugal has continued to maintain normal relations with the illegal régime on the same basis as before the illegal declaration of independence. In a letter dated 2 December 1968 (S/8913) addressed to the Secretary-General, the Government of Portugal said that it would be ready to state its position on Security Council resolution 253 (1968) after the Council had taken a position on "serious questions raised by Portugal" in previous correspondence related to the question of Southern Rhodesia.

90. Replying to questions put to him at a press conference on 4 February 1969, Mr. F. Nogueira, the Foreign Minister of Portugal, said that, until replies were received from the Secretary-General and the Security Council concerning the matters raised by his Government in its previous correspondence, there could be no change

in Portugal's policy towards Southern Rhodesia which was one of good neighbourliness without formal diplomatic recognition. He said that, although Portugal did not apply the sanctions called for by the Security Council, the help which it gave to Southern Rhodesia was minimal and that the main responsibility for sanctions violations lay with the countries whose nationals accounted for the major share of the continuing trade with that Territory.

#### OAU and the question of Southern Rhodesia

91. The Council of Ministers of the OAU, meeting in its eleventh ordinary session in Algiers, Algeria from 4 to 12 September 1968, adopted a resolution on the question of Southern Rhodesia. In this resolution, the Council of Ministers:

"1. Strongly reaffirmed the right of the people of Zimbabwe to freedom and independence on the basis of majority rule, and the legitimacy of their struggle for national liberation;

"2. Condemned the systematic campaign of terror, acts of genocide and political murder including the inhuman executions carried out by the rebel racist minority régime as a crime against humanity;

"3. Reaffirmed the responsibility of the United Kingdom as the administering Power for the constant deterioration of the situation and that the only effective way of quelling the rebellion in Rhodesia was through the use of force;

"4. Condemned unreservedly the United Kingdom for failing in its responsibility and its refusal to use force to restore legality in Rhodesia;

"5. Further condemned the illegal intervention of South African troops and mercenaries in Rhodesia and called upon the South African régime to withdraw their forces and upon the international community to ensure the withdrawal of these mercenaries from Rhodesia;

"6. Strongly condemned once more the governments of South Africa and Portugal and all other governments of countries which continued to have economic, financial and other interests in Rhodesia and granted direct or indirect economic, military, and other assistance to the racist minority régime enabling it to sustain itself;

"7. Called upon all States to implement fully the provisions of the Security Council resolution 253 (1968);

"8. Requested Member States of the Organization of African Unity to provide more financial and material assistance for the intensification of the struggle inside Zimbabwe;

"9. Called upon all States to render all moral and material assistance to the people of Zimbabwe in their legitimate struggle against colonial oppression;

"10. Congratulated the freedom movements in Rhodesia for their efforts to counter the illegal régime and in particular ZAPU and ANC in creating a united front;

"11. Reaffirmed the resolution on decolonization adopted by the International Conference on Human Rights, held at Tehran in 1968, and further reaffirmed that since a state of war existed in Rhodesia demanded that freedom fighters of Zimbabwe when captured be treated as prisoners of war under the International Red Cross Convention of 1949;

"12. Appealed once again to the liberation movements of Zimbabwe to close their ranks and form a united front and to this end requested the Governments of Tanzania, Zambia and Kenya to use their good offices with these movements;

"13. Instructed the African Group at the United Nations to work in order that:

"(a) The United Kingdom should use force to topple the illegal racist minority régime of Rhodesia;

"(b) Mandatory sanctions were applied against Portugal and South Africa because of their continued support of the illegal racist minority régime of Salisbury;

"(c) All countries should sever their economic and other relations with Rhodesia;

"(d) The Security Council Committee on the Question of Rhodesia be reactivated in order to contribute effectively to the liberation of Zimbabwe."

## 2. ECONOMIC DEVELOPMENTS

### General

92. Available information on the economy of the Territory is contained in previous working papers, and three special studies i/ prepared by the Secretariat. Reports of the Secretary-General (S/7781 and Add.1-5) in pursuance of Security Council resolution 232 (1966) on the question of Southern Rhodesia also provide additional information on the foreign trade of Southern Rhodesia since the illegal declaration of independence to the year ending December 1967.

93. By its resolution 253 (1968), the Security Council, acting under Chapter VII of the United Nations Charter, imposed comprehensive economic and financial sanctions against the illegal régime, and requested the Secretary-General to report to the Council on the progress of the implementation of this resolution. To date the Secretary-General has submitted to the Security Council four reports (S/8786 and Add.1-3), on the progress of the implementation of the resolution. In addition, the Committee of the Security Council, established in pursuance of operative paragraph 20 of the same resolution, has submitted its first report (see paragraphs 18-23 above) which contains, among other things, further information on the trade of Southern Rhodesia and on the effects of sanctions on the Rhodesian economy.

94. Apart from what is contained in the above reports, the normal flow of information on the Territory's economy has been to a large extent curtailed since the illegal declaration of independence by official censorship of economic news and statistics, j/ coupled with increased governmental control and regulation of economic activity. It is therefore not possible to give a detailed account of economic developments for the period under review. Economic developments covered under this section are based partly on data contained in the report of the Committee of the Security Council and partly on official pronouncements in Southern Rhodesia and statements by leaders of the business community, which give an indication of general trends.

### Foreign trade and balance of payments

95. The information contained in the report of the Committee of the Security Council established pursuant to the latter's resolution 253 (1968) of 29 May 1968, reveals that in 1967 Southern Rhodesia reported exports valued at \$US282 million and imports valued at \$US262 million. In a note prepared for the Committee by the United Nations Secretariat and annexed to its report, it was estimated that South Africa received Southern Rhodesian exports amounting to \$US80 million, Zambia \$US45 million, the Federal Republic of Germany \$US16 million, Malawi \$US15 million, and that nine other countries, between them, accounted for \$US27 million. Exports amounting to approximately \$US80 million remained unaccounted for. Data concerning

i/ Official Records of the General Assembly, Twenty-first Session, Annexes, addendum to agenda item 23 (A/6300/Rev.1), chapter III, part III; A/6868/Add.1 (appendix I), and A/7320/Add.1 (appendix I).

j/ Emergency censorship of the Press which was lifted on 8 April 1968, applies only to political news.

the origin of Southern Rhodesia's imports were shown to be more difficult to obtain, although 16 countries reported that they had supplied goods to a total value of \$US16 million.

96. Data made available by reporting countries indicated that imports into those countries from Southern Rhodesia during the first six months of 1968 amounted to \$US24 million (compared with \$US362 million for the year 1965) and that exports to Southern Rhodesia amounted to \$US27 million (compared with \$US215 million in 1965). The countries accounting for the greater part of reported imports into Southern Rhodesia were (in millions of United States dollars): the Federal Republic of Germany, 9.4; Portugal, 3.6; Malawi, 3.1 (January-March only); Switzerland, 1.4; and the United States of America, 1.1. The countries accounting for the greater part of reported exports from Southern Rhodesia were (in millions of United States dollars): the Federal Republic of Germany, 7.3; Japan, 4.5; Netherlands, 2.5; Australia, 1.5 (January-March only); United States of America, 1.8; France, 1.6; Switzerland, 1.2; Belgium-Luxembourg, 1.0; United Kingdom, 0.9; and Portugal, 0.9.

97. It may be noted that the above statistics relate to the periods prior to the adoption of Security Council resolution 253 (1968) which imposed comprehensive economic sanctions. The data revealed, however, that imports from Southern Rhodesia into the reporting countries of commodities prohibited by resolution 232 (1966) amounted to \$US39 million in 1967 and \$US15 million in the first half of 1968 (compared with \$US225 million in 1965). This was partly attributed to withdrawals from bonded stores or shipments initiated before 16 December 1966 (see paragraphs 19-22 above).

98. In a note dated 29 November which was transmitted to the Committee of the Security Council established pursuant to resolution 253 (1968) and which is also annexed to the Committee's report, the United Kingdom Government pointed out that, since its illegal declaration of independence, the régime in Southern Rhodesia had severely curtailed foreign trade in order to conserve its foreign exchange reserves. Nevertheless, because of an unavoidable deficit (£R19 million in 1967) on invisible items, Southern Rhodesia's current account surplus of £R15 million in 1965 was eliminated in 1966 and turned into a deficit of £R10 million in 1967. k/ It was anticipated that transactions in 1968 were also likely to result in a sizable deficit in Southern Rhodesia's external payments position. The United Kingdom Government believed that Southern Rhodesia's exports at mid-1968 were about 10 per cent lower than at mid-1967, but pointed out that this was partly due to factors other than sanctions, including a severe drought early in 1968 (see paragraph 109 below). Corresponding to the decrease in exports, Southern Rhodesia had reduced its imports by about 5 per cent for the second half of 1968 and was widely reported to be considering a further reduction of up to 10 per cent for the first half of 1969. Future developments in regard to the Territory's external payments position would depend partly on the excellence or otherwise of the 1969 harvest and the possibility of increased sales of new mineral products and partly on the cumulative effects of sanctions.

#### State of the domestic economy

99. In its note of 29 November referred to above, the United Kingdom Government observed that despite the 30 per cent fall in external trade since 1965, the figures published by the illegal régime showed an increase of about 5 per cent in national income from £R365 million in 1965 to £R383 million in 1967. Although

k/ According to a spokesman for the Rhodesian Treasury this deficit on current account was more than offset by a net inflow of capital.

in part a reflection of a successful programme of import substitution and agricultural diversification, the increase was mainly due to a 4.6 per cent rise in prices, and the implication of increased prosperity was therefore believed to be more apparent than real. The United Kingdom Government pointed out, moreover, that a significant portion of total income in both 1966 and 1967 was derived directly and indirectly from the production of export goods which had to be stockpiled. Net increases in stocks, notably tobacco (see below), amounted in fact to £R46 million between the end of 1965 and the beginning of 1968. The note also revealed that, although successful import substitution had enabled manufacturing output to recover the ground lost in 1966 when Southern Rhodesia's main export markets were cut off, the increase of 5.5 per cent in industrial output achieved in 1967 had been obtained at a cost of a 7 per cent increase in imports into the industrial sector. Whether or not the illegal régime could obtain further expansion of manufacturing output would seemingly depend both on finding new markets outside Southern Rhodesia and on the régime's ability to obtain increased industrial imports despite intensified sanctions.

100. Within Southern Rhodesia it was evident that there were divergent views as to the state of the economy. Introducing the budget for 1968-69 in the "Legislative Assembly" on 20 July 1968, Mr. Wrathall, the "Minister of Finance" said that, despite a severe drought and the effects of sanctions, the indications for the first half of 1968 were "so far encouraging". He said that during the first five months of 1968 the volume of manufacturing production had been 7 per cent greater than in the corresponding period of 1967. The index of retail trade had been, on the average, 13 per cent higher, and the value of mineral production had risen by 5 per cent. The value of domestic exports during the first six months of 1968 had been 3.6 per cent higher than during the same period of 1967, and imports had been allowed to increase by 9 per cent of the high level of capital formation taking place. There had been a net increase of 4,100 European immigrants compared with 1,500 during the same period in 1967. Although employment in the agricultural industry had continued to fall because of the shift away from labour intensive tobacco production, this had not been large compared with the increased employment elsewhere in the economy. Summing up the over-all economic situation, Mr. Wrathall stated that his previous estimate of 3 per cent growth rate (current prices) for 1968 might well prove somewhat on the conservative side.

101. However, Mr. Wrathall warned that although the economy had shown remarkable strength and resilience, there were still difficulties ahead. Southern Rhodesia must continue to endeavour to expand exports, to do without inessential imports, to diversify the output of all the productive sectors, to avoid unnecessary wage increases, and to maintain a level of savings. The situation called for a final all-out effort to break the web of sanctions which was restricting the economy.

102. It appeared, however, that some private interests were less optimistic. In a letter published in the Rhodesian Herald of 27 November 1968, Mr. Ernest Newson, Chairman of the Rhodesian Iron and Steel Corporation, and an alternative director of the Anglo-American Corporation, stated that failure to settle with the United Kingdom would result in faster economic deterioration in Southern Rhodesia. He stated that the stage had been reached where continued sanctions would ruin the country's tobacco, chrome, asbestos and ferro-alloy industries, and would ensure that the nickle industry was still-born.

103. In another letter to the Rhodesian Herald of 9 December 1968, Mr. Evans Campbell, Chairman of the Standard Bank, and a director of a number of Southern Rhodesia's largest industrial companies, said that sanctions had damaged the Territory's economy far more than many people were willing to acknowledge. While the mining industry had surged forward, it had, like the tobacco industry, produced vast and ever-growing stockpiles. Manufacturing industry profited in many instances by a home market shielded by import control and an export market to South Africa. Commerce was suffering grievously, however, and well-established markets to the north had largely fallen away. The most serious aspect of the situation was the growing unemployment. The total number of Africans in employment in 1967 (605,000) had been the lowest in 11 years.

#### Budget for 1968-69

104. On 20 July 1968, the "Minister of Finance", Mr. John Wrathall, introduced the budget for the financial year 1968-69, which was substantially the same as that for the previous year, with no tax increase. The budget provided for current account expenditure of £R94.5 million (including £R5 million subsidy to the State Tobacco Corporation), an increase of approximately £R10.4 million since 1967-68; and revenue receipts of £R89.7 million, an increase of £R6.1 million over 1967-68. A revenue account deficit of £R1.5 million for 1967-68 was absorbed by a £R6 million surplus carried forward from previous years. The £R4.5 million brought forward from the 1967-68 surplus account balance will reduce the current estimated deficit for 1968-69 from £R4.7 million to £R250,000 at the end of the current financial year.

105. Commenting generally on the budgetary situation in Southern Rhodesia, the United Kingdom Government, in its note of 29 November on the effects of sanctions (see paragraphs 98-99 above), pointed out that official expenditure had risen 60 per cent above the pre-JDI level. Most of this increase was a direct result of the need to meet the cost of sanctions, and in particular to finance the stockpiling of tobacco. For example, of the £R11 million in the loan-vote expenditure for 1968-69, only £R3 million was for development expenditure, the remainder consisting mainly of agricultural subsidies (see below).

#### Finance

106. On 21 April 1968, the Reserve Bank of Rhodesia increased the statutory level of demand deposits for commercial and merchant banks. The statutory level of demand deposits was increased from 2 to 6 per cent. For time and savings deposits the level was increased from 2 to 3 per cent. The purpose of these increases was to withdraw £R3 million from the banking system to assist in forestalling the dangers of excessive inflationary pressures building up in the economy.

107. The régime has continued to float new loans to be applied to the financing of development expenditure and the payment of maturing debts. All the loans floated by the régime were immediately fully subscribed despite warnings from the United Kingdom Government that the illegal régime was not capable of incurring legal obligations on behalf of the Government of Southern Rhodesia. On 16 April 1968, a three-year loan for the amount of £R7.5 million at the rate of 4.5 per cent per annum was fully subscribed. Since the introduction of the 1968-69 budget in June 1968, the régime has floated an additional £R18 million

in new loans; on 16 September 1968, two £R5 million loans were fully subscribed; and on 15 October 1968, an additional £R8 million loan was over-subscribed, necessitating the scaling down of applications for £R1 million and over by 10 per cent.

### Agriculture

108. In 1967, the value of agricultural production rose to £R91.4 million, showing an increase of 5.2 per cent above the previous year. The agricultural sector of the economy has continued to maintain its predominance as the largest contributor to the Territory's gross domestic product, accounting for 19.8 per cent of the total. Official figures on crop production (except for tobacco), and export figures for 1967 and 1968 are not available.

109. In 1968, Southern Rhodesia experienced its worst drought, in forty years, with vast areas of the country having only 60 per cent of their normal rainfall. The drought was described by Mr. Tom Michell, the President of the Rhodesian National Farmers' Union, as a disaster of the first magnitude, and by Mr. George Rudland, the "Minister of Agriculture" as a national disaster. Relief measures were introduced by the régime to aid the agricultural industry. It was estimated that the drought would reduce agricultural production in 1968 by 10 per cent.

### Tobacco crop

110. In 1965, prior to the illegal declaration of independence, Southern Rhodesia's tobacco growers produced close to 300 million pounds of tobacco for an average price of 33 pence per pound. Foreign earnings from tobacco totalled £R47 million in 1965, by far the largest single item in total exports of £R165 million. With the imposition of sanctions, the 1966-67 crop was reduced to 200 million pounds with a government-guaranteed minimum price of 24 pence per pound; the 1967-68 crop was further reduced to 132 million pounds and the average price increased to 28 pence. To assist farmers affected by the crop reduction, the régime bought "quotas" at 6 pence per pound (i.e., growers received a bonus for not growing tobacco). At the same time they were given additional facilities in the shape of loans for irrigation and diversification plans.

111. Information on the tobacco crop for the current season indicates a continuing downward trend since the imposition of sanctions. On 7 March 1968, the régime announced that the maximum production target for the 1968-69 flue-cured tobacco crop would be maintained at the same level as in 1967-68, that is, at 132 million pounds, but that the average producer price would be 22 pence per pound compared with a price of 28 pence per pound for the preceding year's crop. The Burley tobacco crop target was also maintained at the 1967-68 level, namely 5 million pounds for the current season, but at an average price of 22 pence per pound, compared with 26 pence per pound for the preceding year's crop; and the target for the Oriental Samsum variety was reduced from 1.5 million pounds to .1 million pounds, but the price was maintained at 26 pence per pound as in 1967-68. The régime has acknowledged that as a result of sanctions there is a "sizable stockpile" of tobacco in Southern Rhodesia, which has been estimated at between 200-250 million pounds. The number of tobacco growers was also decreased from 2,600 in 1965 to 1,700. For the current season, farmers have been invited to sell their quotas to the régime at four pence per pound and, as an added incentive, farm diversification loans are to be made available on the same basis as in 1967-68.

112. The Council of the Rhodesian Tobacco Association subsequently announced that by setting a national average price to producers of only twenty-two pence per pound, the régime had failed to live up to its undertaking to maintain the tobacco industry. The Council stated that it had informed the régime that the minimum cost per pound at which the majority of growers could make a living was twenty-six pence per pound. On 22 March 1968, Mr. Carol Heartley, president of the Rhodesian Tobacco Association, stated in Salisbury, after a tour of the tobacco-growing areas, that tobacco farmers rejected the national average price of twenty-two pence per pound as unrealistic and that growers were resentful that their industry appeared to be bearing almost the entire brunt of sanctions.

113. In introducing the budget for 1968-69, Mr. Wrathall stated that at the end of June 1968, the accumulated cost of stocks of 1966 and 1967 crop tobacco held by the tobacco corporation, together with losses on sales already affected, amounted to £R34 million. He estimated that even if sanctions were lifted immediately, the corporation would still be left with a deficit of at least £R12 million. Accordingly, he proposed to relieve the tobacco corporation of liabilities amounting to £R12 million, of which £R5 million would be provided from revenue funds (covered by the accumulated surplus of £R4.5 million) and £R7 million from loan funds. A further £R3.7 million would be provided for drought relief from revenue receipts at existing rates of taxation.

#### Other crops

114. Sugar, the next most important crop, which in 1965 accounted for £R4 million in exports, reportedly has also continued its downward trend. It was reported that large quantities of the crop had been stockpiled. The régime is providing price support payments as a subsidy to growers to keep the industry going.

115. The régime is making increased efforts to encourage farmers to diversify into other crops in order to alleviate the impact of sanctions on the tobacco and sugar crops. Farmers are being encouraged, by grants, subsidies and loans from the régime, to diversify by growing more cotton, wheat, maize, beef, soya beans and groundnuts - all of which have a lower acreage return than tobacco. Since the illegal declaration of independence, the régime has embarked on an extensive irrigation scheme, particularly in the tobacco growing areas, to make the land amenable to the cultivation of these crops. As was done in the previous year, funds have also been made available for buying up 1968-69 tobacco marketing quotas from growers who might wish to suspend production for the time being. The régime is paying four pence per pound for tobacco quotas for the current year compared with six pence per pound for 1967-68. Farm diversification loans have also been made available to farmers on the same basis as in 1967-68.

#### Manufacturing industry

116. Following the imposition of sanctions, Southern Rhodesian manufacturers, encouraged by import control, turned their attention to the home market to provide import substitutes. Compared to 1966, total manufacturing output in 1967 recorded an increase of 5.5 per cent to £R194 million. By the end of 1967 the three industries which continued to suffer most severely from sanctions were tobacco grading and packing, chemical and petroleum products and transport and

workshops. Tobacco grading and packing suffered a drop in output of 21.1 per cent and transport and workshops suffered a decrease of 4.8 per cent. Although the output of chemical and petroleum products increased by 32 per cent during the year, it remained well below the level achieved in 1965. The above three industries accounted for 21 per cent of total manufacturing output in 1965. The output of the remaining 79 per cent of manufacturing industry was 10.6 per cent higher in 1967 than in 1965. Textiles and clothing enjoyed an increase of 17.1 per cent. Metals and metal products also did well, with an increase of 15.9 per cent. The building and construction industry experienced buoyant conditions throughout 1967, output increasing by 8.7 per cent to £R35.1 million. Building for the private sector, which had started to improve by the end of 1966, increased by 26 per cent to £R9.1 million. Statistics of manufacturing output for 1968 are not yet available, and it is therefore not known to what extent the 1967 trend is being maintained both on a general level, and also on an industry to industry basis, although preliminary reports indicated that the general trend was one of continued expansion.

117. In May 1968, the illegal régime, reportedly under pressure from the South African Government, introduced an export quota system on exports of clothing, footwear and radio goods to South Africa. South Africa is the main export market left for Southern Rhodesia's manufactured goods, for which clothing, footwear and radios are its best selling lines. It was reported that the trade restrictions were imposed as a result of protests by South African manufacturers who complained that Southern Rhodesian products were competing unfairly since the cost of labour in Southern Rhodesia was cheaper. The secretary of the Rhodesian Clothing Council, Mr. E. Elasor, was reported to have stated that Southern Rhodesian industry was being severely curtailed by the new restrictions.

118. Further concern over the imposition of restrictions on the growing export trade to South Africa was voiced by Southern Rhodesia's manufacturing industrialists. At the Congress of the Association of Rhodesian Industries, which was held in May 1968, some delegates to the congress, including the president, Mr. William Perry, stated that South Africa's action in restricting exports from Southern Rhodesia had destroyed the concept of a common market in southern Africa. The "Minister of Commerce and Industry", Mr. Jack Musset, was reported to have told the industrialists at the congress that the régime had imposed quotas in the interests of over-all Rhodesian trade with South Africa.

119. On 21 November 1968, Radio Rhodesia reported that locally assembled motor vehicles would become available in Southern Rhodesia within two weeks. According to the report, assembly work would be restarted at the former Ford automobile plants near Salisbury (now owned by the Rhodesian I.D.C) and the plant of the British Motor Corporation at Umtali. Both of Southern Rhodesia's major plants were closed in 1967 because of economic sanctions which prevented the import of new motor vehicles. The radio announcement said that assured supplies of kits were available to meet the Territory's requirements for two years and that assembly operations had already begun.

120. It was reported that thirteen models of cars and vehicles would be assembled at the plants, including British Leyland vehicles, as well as Auto-Union and BMW (Federal Republic of Germany), Peugeot (France), Alfa-Romeo (Italy), Izuzu and Daihatsu (Japan). It was also reported that the vehicle kits were coming into Southern Rhodesia through third parties in South Africa, and that employees at the

Ford and the British Motor Corporation factories, who left Southern Rhodesia when sanctions cut off the supply of kits, had returned to the Territory.

121. In the annual report of the "Secretary of Transport and Power", Lt.-Col. Leslie, tabled in the "Legislative Assembly" on 25 July 1968, it was stated that electric power from the Cabora Bassa Dam might be available to Southern Rhodesia by the end of 1973, just in time to meet a possible shortage of electric power in the Territory which was expected in the first half of 1974. Work on the Cabora Bassa hydro-electric scheme in Mozambique, on the border with Southern Rhodesia, was started in November 1968.

122. On 2 October 1968, it was reported from Mozambique that Mozambique Railways was shortly to carry out a project designed to shorten the railway track linking Mozambique to Southern Rhodesia.

### Mining

123. In 1967 Southern Rhodesia's mineral output reached a record level of £R33.4 million. It was reported that there had been a major resurgence in mining activity and in prospecting largely related to the exploitation of nickel and copper. There was also interest in gold, aluminium, scheelite, chrome and copper. Important companies engaged in the present exploration and development were listed as including the Anglo-American Corporation Ltd. (South Africa), Roan Selection Trust (United Kingdom), South African Manganese (South Africa), Messina (Transvaal) and Johannesburg Consolidated Investment (South Africa), Rhodesian Chrome (United States) and Rio Tinto and Lonrho (United Kingdom).

124. On 3 February 1968, the Southern Rhodesian "Minister of Mines", Mr. Philip van Heerden, stated that African Chrome Mines (a subsidiary of Union Carbide Corporation), after consultations with the régime, had decided to reorganize its chrome mine operations in the North Dyke area of Southern Rhodesia. The reorganization, which was to be carried out without delay, involved putting the company's deep mining operations on a care and maintenance basis and converting its soil operations from a mainly mechanized basis to a basic manual-labour operation. The reorganization also involved the release of about 567 workers out of a total of 1,078. The company normally produces about a third of Southern Rhodesia's total chrome production of 567,000 tons a year.

125. A new copper mine, the Skipper Mine near Que Que, was opened by the "Deputy Minister of Mines", Mr. Dillon, on 29 February 1968. He stated that the real importance of the copper mine was due to the fact that new techniques had made it economic to exploit small copper deposits. The Skipper Mine is operated by Umcamina Mines (Pvt.) Ltd., on charter from Lonrho.

126. Mr. Dillon said that Southern Rhodesia's mining industry was on the threshold of one of the most dynamic developments in its history. The development would be mainly in the copper and nickel fields, but a platinum deposit found in the Great Dyke was "quite fantastic". Two big copper deposits had been found. One of these, in the Headlands area, was already being developed and a large investment of capital was envisaged. The other big copper deposit was about ninety miles from Bulawayo. Five international companies, two of them South African (General Mining and S.A. Manganese), had announced their intention to develop and exploit the new deposits. Only one of the companies involved had previously operated in Southern Rhodesia. In addition to the copper, nickel and platinum, Mr. Dillon

said that extensive gold reefs and zinc anomalies had been found. It was the policy of the régime to encourage the small workers to move away from gold prospecting and mining into the currently more economic copper field.

127. In May 1968, it was reported that the General Mining Finance Corporation of Johannesburg and the Mining Promotion Corporation Ltd., (a subsidiary of the I.D.C. of Southern Rhodesia) were co-operating in a joint exploration of the Penhalonga Valley mineral deposits. The joint venture called for the opening up of the Penhalonga Valley which is honeycombed with dozens of small mines, many of them derelict, and to develop these small undertakings into a single large-scale operation. Eventual development cost of the project has been estimated at £R1 million. According to previous estimates, the area has reserves of gold, lead and silver worth £R20 million.

### 3. EDUCATIONAL CONDITIONS

#### African education

128. As noted previously (para. 76 above), one of the proposals presented to Mr. Smith by Prime Minister Wilson at the Gibraltar talks called for a vigorous and extended programme of education and training for Africans in order to raise their earning capacities and standards of living and to enable them to play an increased part in the life and progress of their country. The United Kingdom Government offered to provide for this purpose a sum of up to £50 million, spread over ten years, to be matched against an equal sum to be provided by the Southern Rhodesian Government in addition to currently planned annual expenditure for this purpose. Earlier, in a statement in the United Kingdom House of Commons on 27 March 1968, the Prime Minister had reviewed the record of the illegal régime in regard to African education in the following terms:

"The régime has sought to make some play with its concern for African education. But its target for full secondary education for African children is far lower than that of other, much poorer, countries to the north of Rhodesia, and the fees in African schools represent a higher percentage of average African earnings than is the case for those in European schools. About ten times as much is spent by the Administration on educating a European child as on educating an African child, and it has been reliably estimated that the 120,000 African and 5,000 European children who entered primary school in 1966 - a ratio of 24 to 1 - would produce the same number of university entrants from each race in 13 years' time; the number of entrants would be equal in absolute numbers, even though the disparity in the numbers of school children is 24 to 1."

129. Owing to the paucity of available data, there is little information on the state of African education in recent years. However, figures published by the illegal régime reveal the total number of African children attending school in 1968 compared with enrolments in 1963. According to this information, the number had increased from 624,500 to 725,100. In 1963 there were only 7,000 pupils in secondary schools, compared with 18,000 in 1968. For the same period the number of African secondary schools had increased from 49 to 95. It was estimated that 210,000 African children of primary school age were not attending schools. It was the intention of the régime to provide a full course of African primary education by 1970. There was enough accommodation for 90 per cent of the children in the lower primary schools, but in the upper primary schools only about 47 per cent could be accommodated without an increase in facilities.

# ANNEX II\*

## REPORT OF THE SECRETARY-GENERAL

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\* Previously issued under the symbol A/AC.109/308 and Corr. 1 and Add.1-3.

## INTRODUCTION

1. At its 1710th plenary meeting, on 7 November 1968, the General Assembly adopted resolution 2383 (XXIII) concerning Southern Rhodesia (see annex I, para. 10 above).
2. In a letter dated 14 November 1968, the Secretary-General transmitted the text of the above resolution to the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations for the attention of his Government. In his letter, the Secretary-General stated that he would appreciate receiving information on the action taken and/or envisaged by the Government of the United Kingdom in implementation of the resolutions of the United Nations concerning the Territory, so as to enable him to report to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in accordance with operative paragraph 15 of the resolution.
3. In a letter of the same date, the Secretary-General, having regard to operative paragraph 9 thereof, also transmitted the resolution to the President of the Security Council (S/8897).
4. In identical notes dated 25 November 1968, the Secretary-General transmitted the text of the resolution to all States Members of the United Nations and members of the specialized agencies. In these notes, the Secretary-General requested the Governments to inform him on the action taken and/or envisaged by them in implementation of operative paragraphs 8 and 14 of the resolution, so as to enable him to report to the Special Committee in accordance with operative paragraph 15 of the same resolution.
5. As at 3 March 1969, the Secretary-General has received substantive replies to his notes from fourteen Governments. These replies are reproduced in section II below, with the exception of those which have been previously circulated in other United Nations documents (S/8786/Add.5).
6. In this connexion, the attention of members is also drawn to the report submitted by the Secretary-General in pursuance of resolution 253 (1968) adopted by the Security Council at its 1428th meeting, on 29 May 1968, concerning the situation in Southern Rhodesia (S/8786 and addenda).
7. Further reports by the Secretary-General, in accordance with operative paragraph 15 of General Assembly resolution 2383 (XXIII), will be issued as addenda to the present document as additional replies are received.

REPLIES RECEIVED FROM GOVERNMENTS

AFGHANISTAN

[Original: English]  
21 March 1969

The Government of Afghanistan has not recognized the illegal régime of Southern Rhodesia and does not maintain any kind of relations with the mentioned régime.

ARGENTINA

[Original: Spanish]  
6 February 1969

In response to the request for information, I have pleasure in stating that, on 16 February 1966, the Government of the Argentine Republic issued decree No. 1196, which covers the whole range of sanctions called for by the United Nations against Rhodesia.

Without prejudice to the above-mentioned decree, any new provisions enacted on the question will be reported at once.

BULGARIA

[Original: French]  
11 March 1969

[The text is contained in document S/3736/Add.8.]

## BURMA

/Original: English/  
20 March 1969

As already indicated in the Permanent Representative's note No. 100/SC20 dated 30 July 1968 (S/8786), the Government of Burma has severed all political and economic relations, both direct and indirect, with Southern Rhodesia. This severance of all relations, therefore, permits no activities of any nature to be operated by Burmese nationals as regards Southern Rhodesia.

The Permanent Representative wishes further to inform the Secretary-General that Burma's support for the people of Zimbabwe in their struggle for freedom and independence is borne out by its record at the past sessions of the General Assembly.

## CAMBODIA

/Original: French/  
16 January 1969

The Kingdom of Cambodia has no relations with Southern Rhodesia and does not recognize that illegal racist régime.

The Royal Government favours free elections on the basis of universal adult suffrage and therefore supports all measures adopted by the United Nations to restore to the Zimbabwe people their inalienable right.

## CHILE

/Original: Spanish/  
20 January 1969

/The text is contained in documents S/8786/Add.5 and S/8984./

## COSTA RICA

/Original: Spanish/  
6 February 1969

The delegation of Costa Rica voted in favour of the draft resolution both in the Fourth Committee and in the General Assembly, and was thus instrumental in the adoption of resolution 2383 (XXIII). It did so in the

awareness that it would thus be helping to reiterate the wishes of the Security Council and the General Assembly with regard to Southern Rhodesia and in this way to achieve a solution to that most serious problem.

With particular reference to operative paragraphs 8 and 14 of the resolution, it should be pointed out, so far as paragraph 8 is concerned, that no activities of any kind are being carried on between Costa Rica and Southern Rhodesia and that there are no Costa Rican nationals in that country. So far as paragraph 14 is concerned, Costa Rica believes that its observance of the resolutions of the Security Council and its moral support for the struggle of the people of Zimbabwe to achieve their liberation and the full exercise of their rights are important factors in the implementation of that paragraph.

#### ETHIOPIA

/Original: English/  
14 January 1969

The Permanent Mission of Ethiopia to the United Nations... with reference to the Secretary-General's note dated 25 November 1968 has the honour to recall its note verbale of 27 June 1968 transmitting the reply of the Ministry of Foreign Affairs of the Ethiopian Government with regard to the implementation of Security Council resolution 253 (1968) (S/8786).

It will be recalled that in that note the Minister of Foreign Affairs of Ethiopia informed the Secretary-General that the Government of Ethiopia had already enforced a complete and total severance of relations with the illegal régime in Rhodesia.

In response to the Secretary-General's note under reference, the Permanent Mission of Ethiopia would like to inform him that the severance of relations still continues.

The Ethiopian Government has also continued and has intensified its assistance - political, moral and material - to the national liberation movements of Zimbabwe through the Organization of African Unity.

#### GREECE

/Original: English/  
4 December 1968

/The text is contained in document S/8736/Add.5./

## GUATEMALA

/Original: Spanish/  
7 January 1969

Guatemala has had no commercial, economic or other relations with Southern Rhodesia.

## IRAN

/Original: English/  
16 April 1969

As already indicated in the Permanent Mission of Iran's note of 4 February 1969 (S/8786/Add.6), the Government of Iran has severed all relations with the illegal régime of Southern Rhodesia.

The Government of Iran will continue its full support to the people of Zimbabwe in their legitimate struggle for freedom and independence.

## IRAQ

/Original: English/  
8 May 1969

The Government of Iraq has always supported, endorsed and implemented the United Nations resolutions on Southern Rhodesia. With regard to General Assembly resolution 2383 (XXIII), the Acting Permanent Representative of Iraq would like to invite the attention of the Secretary-General to the note No. UN/24/269, dated 1 April 1969 (S/8786/Add.8), and would particularly like to reaffirm the following:

1. There are no financial, economic or other interests operated by Iraqi nationals in Southern Rhodesia. Further, the Government of Iraq, in conformity with its declared policy shall take all possible measures that no such interests should take place in the future.

2. The Government of Iraq has always supported the movements of national liberation all over the world. It therefore stands ready to render all possible moral and material assistance to the national movement of Zimbabwe, either directly or through the Organization of African Unity.

## ITALY

/Original: French/  
7 March 1969

Italy has fully implemented the Security Council resolutions relating to the application of sanctions against Southern Rhodesia. The measures adopted by the

Italian Government have been communicated to the Secretary-General in a note dated 15 October 1968 (S/8786/Add.3). The competent Italian authorities are ensuring that these measures are strictly applied. In this connexion, the Italian Government is acting in close co-operation with the Security Council Committee responsible for supervising the application of sanctions to Southern Rhodesia.

#### LEBANON

/Original: English/  
8 April 1969

The Government of Lebanon has no economic or financial relations with Southern Rhodesia.

#### LIBYA

/Original: English/  
21 March 1969

I would like to reiterate what we previously advised in our communications corresponding to this question, of which the latest note was circulated as United Nations official document (S/8915) of 3 December 1968, that the Government of the Kingdom of Libya has severed all aspects of economic relations with the illegal régime of Southern Rhodesia.

The Government of the Kingdom of Libya has implemented all the sanctions against the illegal régime in Southern Rhodesia and has supported in all means the people of Zimbabwe in their struggle to achieve their freedom.

It will therefore be evident that the Government of the Kingdom of Libya has already taken all the appropriate measures, which fully comply with the relevant provisions and stipulations of the General Assembly resolution of 7 November 1968.

#### MADAGASCAR

/Original: French/  
29 January 1969

The Government of the Malagasy Republic wishes to reaffirm that, in accordance with the provisions of decree No. 65-819 of 22 December 1965, amended and supplemented by amendment No. 67-113 of 9 March 1967, the Republic has no public or private interests in Southern Rhodesia and no commercial relations with that country.

The texts of the above-mentioned decree and its amendment were transmitted to the Secretary-General on 9 March 1966 and 3 April 1968 respectively (documents A/6285 and S/8532).

MAURITIUS

/Original: English/  
19 February 1969

The Mauritius Mission to the United Nations... has the honour to transmit below note S 1086/3(14/69) from the Prime Minister's Office (External Affairs Division), in connexion with General Assembly resolution 2383 (XXIII).

PRIME MINISTER'S OFFICE

10 February 1969

The Prime Minister's Office (External Affairs Division)... has the honour to refer to the Secretary-General's note of 25 November 1968 forwarding a copy of resolution 2383 (XXIII) concerning Southern Rhodesia.

The Prime Minister's Office (External Division) is pleased to inform the Secretary-General that the Government of Mauritius is not aware of any Mauritian national operating activities of financial, economic and other interests in Southern Rhodesia. As regards paragraph 14 of the resolution, Mauritius is a full member of the Organization of African Unity, which implements fully the provisions of the paragraph.

NEW ZEALAND

/Original: English/  
4 March 1969

With regard to General Assembly resolution 2383 (XXIII) and to earlier General Assembly resolutions concerning Southern Rhodesia, New Zealand, by its votes and accompanying explanations of vote has made clear its attitude towards implementation of specific provisions of these resolutions.

The Secretary-General has already been informed of the measures taken by New Zealand to implement the provisions of Security Council resolutions 232 (1966) and 253 (1968). In addition New Zealand continues to send regularly to the Secretary-General fully detailed monthly replies to the United Nations questionnaire relating to trade with Southern Rhodesia.

PHILIPPINES

/Original: English/  
6 January 1969

/The text is contained in document S/8786/Add.5./

## SOMALIA

/Original: English/  
23 January 1969

With regard to operative paragraph 8 of General Assembly resolution 2383 (XXIII), the authorities in the Somali Republic are not aware of any Somali national who is engaged in any financial or economic activities in Southern Rhodesia.

With regard to operative paragraph 14, it should be noted that the Somali Republic, as a member of the Organization of African Unity, gives assistance to the national liberation movements of Zimbabwe through that organization.

## TRINIDAD AND TOBAGO

/Original: English/  
8 January 1969

The Government of Trinidad and Tobago has no financial, economic or trade ties with Southern Rhodesia nor does it have any intention whatsoever of establishing any as long as the illegal racist minority régime continues in power.

The Government of Trinidad and Tobago has always made public its condemnation of the illegal régime in Southern Rhodesia and will continue to do so.

The people of Zimbabwe may be assured of the continued moral support of the Government and people of Trinidad and Tobago.

## TURKEY

/Original: English/  
28 March 1969

It will be recalled that in my communication of 19 March 1969, No. 294/106 (S/8786/Add.5), I had forwarded the Turkish Government Decree, dated 18 December 1968 prohibiting all trade relations, exports and imports between Turkey and Southern Rhodesia and all kinds of investment by Turkish citizens in or financing of industrial, commercial or public service activities of the illegal régime in Southern Rhodesia.

Since the unilateral declaration of independence in Southern Rhodesia by the illegal régime it has been the consistent policy of the Government of Turkey to support the right of freedom of the people of Zimbabwe.

## UKRAINIAN SOVIET SOCIALIST REPUBLIC

/Original: Russian/  
17 March 1969

The Permanent Mission of the Ukrainian Soviet Socialist Republic to the United Nations... in reply to the Secretary-General's note dated 25 November 1968,

has the honour to inform him that the Ukrainian SSR is complying strictly with the decisions of the United Nations concerning Southern Rhodesia, directed towards the removal of the illegal racist minority régime in Southern Rhodesia and the achievement of independence by the people of Zimbabwe.

The position of the Ukrainian SSR on this question has already been stated in previous notes from the Permanent Mission to the Secretary-General, in particular in the notes dated 12 August 1968 and 6 March 1969, issued as documents S/8743 and S/9052.

In accordance with the decisions of the United Nations, and in particular with Security Council resolutions 232 (1966) and 253 (1968), the Ukrainian SSR does not recognize the illegal racist régime in Southern Rhodesia and maintains no political, economic, trade or other relations with it. Neither does the Ukrainian SSR maintain trade relations with the Republic of South Africa or Portugal, which openly violate those United Nations decisions. The Permanent Mission of the Ukrainian SSR to the United Nations takes this opportunity to reaffirm that the policy of the Ukrainian SSR on this question is unalterable.

The Ukrainian SSR voted for General Assembly resolution 2383 (XXIII) and believes that it should be applied in practice. The Ukrainian SSR supports and will continue to support the people of Zimbabwe in their just struggle for freedom and national independence.

The Ukrainian SSR is in favour of the earliest possible implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in respect of Southern Rhodesia and considers that the responsibility for the maintenance in power of the racist régime in Southern Rhodesia lies with those States, in particularly certain members of the NATO military bloc, which, in violation of the many decisions of the United Nations, continue to render economic, political and military assistance to the racists and colonialists in southern Africa. It believes that effective measures should be taken to put an end to such assistance, to stop the activities of international monopolies and to block private and State investment in the economy of Southern Rhodesia, the Portuguese colonies, the Republic of South Africa and Namibia until such time as the minority régime in Southern Rhodesia has been removed and the Republic of South Africa and Portugal have renounced their policy of racism and colonialism.

The Permanent Mission of the Ukrainian SSR to the United Nations asks that this note should be circulated as a General Assembly document.

#### UNION OF SOVIET SOCIALIST REPUBLICS

[Original: Russian]  
28 February 1969

The Soviet Union's position on this question has already been expounded in the note by the Permanent Mission of the USSR dated 21 June 1968 on compliance of States Members of the United Nations with the Declaration on the Granting of Independence to Colonial Countries and Peoples and other relevant resolutions on the question of decolonization, particularly those relating to Territories under Portuguese administration, Southern Rhodesia and South West Africa (A/7200, part I, chapter II, annex I), and also in the statement by the Telegraph Agency of the Soviet Union (TASS) on Southern Rhodesia, which was reproduced on 6 December 1968 as a document of the Security Council (S/8920) and as a document of the General Assembly (A/7377).

In the note by the Permanent Mission, in particular, it is emphasized that the Soviet Union is strictly implementing the resolutions of the United Nations General Assembly and Security Council aimed at the elimination of the racist minority régime in Southern Rhodesia and the achievement of independence by the people of Zimbabwe. The USSR does not recognize that illegal régime and does not maintain political, economic or other relations with it. The Soviet Union has taken all steps to comply with Security Council resolution 232 (1966) on the cessation of trade with Southern Rhodesia. In addition, the USSR has refused to maintain postal communications and telecommunications with Southern Rhodesia. The Soviet Union, furthermore, does not trade with South Africa and Portugal, which are defying the United Nations decisions on the question of Southern Rhodesia, and it has taken all necessary steps within its power to ensure that the commodities listed in the aforementioned resolution do not, after being exported from the Soviet Union, reach Southern Rhodesia through third countries and that the commodities whose import from Southern Rhodesia is prohibited also do not reach the Soviet Union through third countries. The Soviet Union voted in favour of Security Council resolution 253 (1968), which provides for more severe measures against the racist régime in Salisbury, and is scrupulously complying with all the provisions of that resolution.

In addition, in the statement by TASS, it is emphasized that the Soviet Union has consistently supported and will support the adoption of effective measures to put an end to the racist régime in Southern Rhodesia. It has not had and will not have any dealings with the racist régime in Salisbury, whatever mask it hides behind.

With regard to operative paragraph 8 of resolution 2383 (XXIII), which contains an appeal to all States to bring to an end the activities of financial, economic and other interests operated by their nationals in Southern Rhodesia, there have not been and there are not now in the Soviet Union any persons or organizations engaging in activities of that kind. The Soviet Union, as a State of the socialist type in which all forms of exploitation of man by man have been eliminated, has consistently advocated and is continuing to advocate, in the United Nations and elsewhere, a cessation of the predatory activities of imperialist monopolies in all colonial territories including Southern Rhodesia, since these activities - like the military activities of the colonizers in the territories under their domination - are one of the main obstacles to the achievement of freedom and independence by colonial peoples. It was precisely with these considerations in mind that the delegation of the Soviet Union to the twenty-second and twenty-third sessions of the General Assembly voted for resolutions aimed at curbing rapacious exploitation by the monopolies in colonies.

The delegation of the USSR has advocated that the General Assembly should appeal to the Governments of all countries whose enterprises or nationals are engaged in industrial, financial and commercial activities in Southern Rhodesia, Namibia, the Portuguese colonies and the Republic of South Africa, to take administrative, legislative and other necessary measures to block private and State investment in the economies of these territories and of the Republic of South Africa until the racist minority régime in Southern Rhodesia is liquidated and the Governments of the Republic of South Africa and Portugal have ceased their policy of colonial and racist oppression.

The Soviet delegation has also advocated that the General Assembly should call upon all States, particularly the countries members of NATO, to put an end forthwith to deliveries - either through monopolies or direct - of armaments, ammunition and military materials and equipment to the Republic of South Africa, Portugal and Southern Rhodesia, and to refuse to participate in the development of the war industries in these countries, since this represents a serious threat to the national liberation movement in the territories under their domination and to the independent existence of neighbouring African States.

In addition, the Soviet delegation has advocated the adoption of legislative, administrative and other measures aimed at abolishing the rights and privileges of foreign companies in colonial territories, restricting the export of profits from these territories by foreign monopolies and diverting part of these profits to the social, economic and political development of the colonial peoples themselves.

With regard to operative paragraph 14 of the above-mentioned resolution, the Soviet Union, which fully supports the African countries on the question of Southern Rhodesia, views with understanding and sympathy the steps they are taking individually or jointly in the United Nations or the Organization of African Unity to protect the interests of African peoples. In pursuance of its Leninist foreign policy of providing every possible kind of support to peoples struggling for their freedom and independence, the Soviet Union has rendered and will continue to render the necessary support to the people of Zimbabwe in their just and lawful struggle for their rights to be free and independent.

The Permanent Mission of the USSR to the United Nations requests that this note be circulated as an official document of the General Assembly.

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

/Original: English/  
15 March 1969

In reply to your letter of 14 November 1968 concerning resolution 2383 (XXIII) on the subject of Southern Rhodesia, I have the honour to draw attention to the United Kingdom Acting Permanent Representative's letter of 10 July 1968, setting out the position of my Government in regard to compliance with United Nations resolutions on the question of decolonization. The text of Mr. Hildyard's letter is to be found in annex I to chapter II of the 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, covering its work during 1968 (document A/7200 (part I), dated 5 December 1968).

The position of the United Kingdom on resolution 2383 (XXIII) was of course made clear during the discussions leading up to its adoption.

UNITED STATES OF AMERICA

/Original: English/  
4 February 1969

The representative of the United States of America to the United Nations... has the honour to refer to the Secretary-General's note of 25 November 1968 and to state that, as the Secretary-General was informed in the note of 1 August 1968, No. UN-3576/227 (circulated in documents S/8714 and S/8786), the United States has fully implemented all the mandatory provisions of all the Security Council resolutions concerning Southern Rhodesia.

YUGOSLAVIA

/Original: English/  
17 March 1969

The Yugoslav Government, in its note addressed to the Secretary-General on 2 September 1968 (S/8786/Add.1), stated that it does not recognize the illegal white minority régime nor does it maintain diplomatic, consular, trade or any other relations with Southern Rhodesia. In addition, it stressed its full support to the just struggle of the people of Zimbabwe for national liberation and independence and reaffirmed that it would, in co-operation with African and other Member States of the United Nations, continue to render its support to all measures and actions aimed at enabling the people of Zimbabwe to attain their freedom and independence.

On 11 February 1969, the Federal Assembly of Yugoslavia, in accordance with the position of the Socialist Federal Republic of Yugoslavia and in pursuance of Security Council resolution 253 (1968) passed a law prohibiting the establishment of economic and trade relations with the illegal minority régime in Southern Rhodesia. The text of the law was published in the Official Gazette of Yugoslavia on 19 February 1969.



## CHAPTER VII

### NAMIBIA

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## A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of Namibia within the context of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, at its 660th and 661st meetings, on 17 and 19 March 1969, at its 680th to 683rd, and 688th to 692nd meetings, between 13 and 22 May, and at its 702nd to 704th meetings, from 1 to 3 July.

2. In its consideration of the question, the Special Committee took into account the relevant provisions of General Assembly resolution 2465 (XXIII) of 20 December 1968 on the question of the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By that resolution, the General Assembly requested the Special Committee, in paragraph 11, "to continue to perform its task and to seek suitable means for the immediate and full implementation of the Declaration in all Territories which have not yet attained independence", and, in paragraph 13, "to examine the compliance of Member States with the Declaration on the Granting of Independence to Colonial Countries and Peoples and other relevant resolutions on the question of decolonization, particularly those relating to ... Namibia, and to report thereon to the General Assembly at its twenty-fourth session". The Special Committee also took into account other pertinent resolutions of the General Assembly including, in particular, resolution 1805 (XVII) of 14 December 1962, whereby the General Assembly requested the Special Committee to discharge, mutatis mutandis, the tasks formerly assigned to the Special Committee on South West Africa, as well as resolutions 2145 (XXI) of 27 October 1966, 2248 (S-V) of 19 May 1967, 2324 (XXII) of 16 December 1967, 2325 (XXII) of 16 December 1967, 2372 (XXII) of 12 June 1968 and 2403 (XXIII) of 16 December 1968. Further, the Special Committee paid due regard to the resolutions of the Security Council concerning Namibia, particularly resolution 264 (1969) of 20 March 1969, whereby the Council, inter alia, called upon "the Government of South Africa to withdraw immediately its administration from the Territory.

3. The Special Committee had before it a working paper prepared by the Secretariat (see annex below) containing information on action previously taken by the Special Committee and the General Assembly and by the Security Council, as well as on the latest developments concerning the Territory.

4. In addition, the Special Committee had before it the following written petitions concerning Namibia:

(a) Letter dated 9 January 1969 from Rev. Markus Kooper, Representative of the South West Africa United National Independence Organization (SWANIO) (A/AC.109/PET.1056);

(b) Letter dated 18 March 1969 from Mr. Sam Nujoma, President, South West Africa People's Organization (A/AC.109/PET.1057);

(c) Letter dated 10 May 1969 from Mr. Solomon Mifima, Chief Representative in Zambia, South West Africa People's Organization (SWAPO), containing a request for hearing (A/AC.109/PET.1057/Add.1);

- (d) Letter dated 1 April 1969 from Rev. James A. Trimble (A/AC.109/PET.1058);
- (e) Letter dated 28 October 1968 from Mr. Jyoti Shankar Singh, Secretary-General, World Assembly of Youth (WAY) (A/AC.109/PET.1084).
- (f) Letter dated 2 December 1968 from Mr. Lucjan Wolniewicz, Secretary-General, Polish Committee for Solidarity with the Peoples of Asia and Africa (A/AC.109/PET.1085);
- (g) Letter dated 23 May 1969 from Mr. J. J. Hadebe, Current Chairman, Union of Non-Independent African States (UNIAS) (A/AC.109/PET.1107);
- (h) Letter dated 9 May 1969 from Mr. L. M. Nikani, Acting Secretary, Unity Movement of South Africa, containing a request for hearing (A/AC.109/PET.1093);
- (i) Letter dated 12 May 1969 from Mr. T. X. Makiwane, Deputy Director of External Affairs, African National Congress of South Africa (ANC), containing a request for hearing (A/AC.109/PET.1094);
- (j) Communication dated 15 July 1969 from Rev. G. Michael Scott (A/AC.109/PET.1111).

5. At its 661st meeting, on 19 March, the Special Committee, on the proposal by the representative of Yugoslavia, and following statements by the representatives of India, Venezuela, Afghanistan, Mali, Iraq, the Union of Soviet Socialist Republics, Syria, Tunisia, the Ivory Coast, Ethiopia and the United Republic of Tanzania, decided to request its Chairman to make a statement expressing the Committee's position with regard to the question (A/AC.109/SR.661 and Corr.1 and 2).

6. At the same meeting, the Chairman made a statement (A/AC.109/SR.661 and Corr.1 and 2) in response to the Special Committee's request referred to above. Further statements were made by the representatives of Venezuela, Iran, the United States of America, the United Kingdom of Great Britain and Northern Ireland, Poland and Italy, as well as by the Chairman (A/AC.109/SR.661 and Corr.1 and 2). On the proposal of the representatives of Yugoslavia, Venezuela and Iran, the Special Committee decided, without objection, to transmit the Chairman's statement to the Security Council and to draw the attention of the Security Council to the statements made by members of the Committee (A/AC.109/SR.661 and Corr.1).

7. In a letter dated 19 March 1969, the Chairman transmitted the text of his statement, which is reproduced in paragraph 28 below, to the President of the Security Council (S/9097). In the same letter, the Chairman drew the attention of the Security Council to the statements made by members of the Special Committee on the item.

8. At its 680th meeting, on 13 May, the Special Committee, by adopting the 141st report of the Sub-Committee on Petitions (A/AC.109/L.563), decided to grant the requests for hearing contained in the petitions referred to in paragraph 4 (c), (h) and (i) above.

9. Following that decision, Mr. T. Makiwane, Deputy Director of External Affairs of the African National Congress (ANC) made a statement at the same meeting (A/AC.109/SR.680).

10. At the 681st meeting, on 14 May, Mr. Moses Garoeb, Director of Information of the South West Africa People's Organization (SWAPO), made a statement and replied to questions put to him by the representatives of Syria, Yugoslavia, Mali and Honduras (A/AC.109/SR.681). A statement was also made by the representative of Sierra Leone (A/AC.109/SR.681). On the proposal of the representative of Mali, the Special Committee decided that the text of Mr. Garoeb's statement should be reproduced in extenso in the record of the meeting.

11. At the 682nd meeting, on 14 May, Mr. Garoeb replied to further questions put to him by the representatives of the Union of Soviet Socialist Republics, Poland, Ecuador, Bulgaria, Syria, Tunisia, Iraq, the United Republic of Tanzania and Iran (A/AC.109/SR.682). Statements were also made by the representatives of India, Afghanistan and Venezuela, as well as by the representative of Zambia, who was participating in the discussion in an observer capacity (A/AC.109/SR.682).

12. At the 683rd meeting, on 15 May, Miss Gool, Representative of the All African Convention (AAC) and Unity Movement of South Africa, made a statement and replied to questions put to her by the representative of Syria (A/AC.109/SR.683). The Chairman made a statement (A/AC.109/SR.683).

13. At the 688th meeting, on 20 May, the Special Committee decided to grant a hearing to Mr. Sam Nujoma, President of the South West Africa People's Organization (SWAPO), in continuation of the hearing granted at the 680th meeting to that organization. At the same meeting, Mr. Nujoma made a statement and replied to questions put to him by the representatives of Yugoslavia, Mali, Poland, Ecuador, Syria, Ethiopia, Sierra Leone and Afghanistan (A/AC.109/SR.688). Statements were also made by the representatives of India, Honduras and Venezuela (A/AC.109/SR.688). On the proposal of the representative of Poland, the Special Committee agreed that the petitioner's statement be reproduced in extenso in the record of the meeting.

14. At the same meeting, the Special Committee also decided to grant a hearing to Mr. Duma Nokwe, Deputy Secretary-General of the African National Congress (ANC), in continuation of the hearing previously granted to that organization at the 680th meeting. Mr. Nokwe made a statement at the 688th meeting (A/AC.109/SR.688). Statements were made by the representatives of Madagascar and the Ivory Coast (A/AC.109/SR.688).

15. The general debate on the question of Namibia took place at the 689th to 692nd meetings, between 20 and 22 May. In that connexion, the following delegations made statements: India (A/AC.109/SR.689); the Union of Soviet Socialist Republics, Yugoslavia, Syria, Afghanistan, Tunisia, Sierra Leone, Bulgaria, Mali and Ethiopia (A/AC.109/SR.690 and Corr.1). At the 684th and 693rd meetings, respectively, statements concerning southern Africa, including Namibia, were made by the representatives of Zambia (A/AC.109/SR.684) and Czechoslovakia (A/AC.109/SR.693), who were participating in the Special Committee's discussion in an observer capacity. At the 693rd meeting, the representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO), with the Committee's permission, made a statement (A/AC.109/SR.693).

16. At the 690th meeting, on 21 May, on the proposal of the representative of Yugoslavia, supported by India, Mali and Sierra Leone, the Special Committee decided to request the Chairman to prepare for consideration by the Committee a draft consensus concerning the item (A/AC.109/SR.690 and Corr.1).

17. Accordingly, at the 691st meeting, on 21 May, the Chairman submitted the text of a draft consensus (A/AC.109/SR.691). A statement was made by the representative of the Ivory Coast (A/AC.109/SR.691) reserving the position of his Government on the consensus.
18. At the 692nd meeting, on 22 May, the Special Committee adopted the draft consensus, the text of which is reproduced in paragraph 29 below, and decided to transmit it to the Security Council.
19. The text of the consensus was transmitted to the President of the Security Council (S/9227) in a letter dated 28 May 1969.
20. The Special Committee again took up the question of Namibia at its 702nd to 704th meetings, between 1 and 3 July, in the light of the illegal trial by South African authorities of a group of nine Namibians on charges under the South African Terrorism Act, 1967. On a proposal by the representative of the United Republic of Tanzania, supported by the representatives of Yugoslavia, India, Syria, Mali and the Union of Soviet Socialist Republics, the Committee decided to request its Chairman to prepare a draft consensus for its consideration (A/AC.109/PV.703).
21. At the 703rd meeting, on 2 July, the Chairman accordingly submitted the text of a draft consensus. A statement was made by the representative of the United Republic of Tanzania (A/AC.109/PV.703).
22. At the 704th meeting, on 3 July, the Chairman submitted orally a revised text of the draft consensus. At the same meeting, the Committee adopted the draft consensus, as orally revised, and decided to request its Chairman to transmit the text of that consensus to the President of the Security Council. Prior to its adoption, reservations concerning the text of the draft consensus were expressed by the representatives of the United Kingdom, the United States and the Ivory Coast (A/AC.109/PV.704).
23. The text of the consensus, which is reproduced in paragraph 30 below, was transmitted to the President of the Security Council (S/9313 and Corr.1) on 3 July.

#### B. EXAMINATION OF PETITIONS

24. By operative paragraph 3 of its resolution 1805 (XVII), the General Assembly requested the Special Committee to discharge, mutatis mutandis, the tasks formerly assigned to the Special Committee on South West Africa by resolution 1702 (XVI) of 19 December 1961, taking into consideration the special responsibilities of the United Nations with regard to the Territory. One of the tasks accordingly assigned to the Special Committee is that of examining petitions relating to Namibia.
25. Since 1962, the Special Committee has examined petitions relating to Namibia in accordance with its established procedures. In addition, in compliance with the procedures laid down for the former Special Committee on South West Africa by General Assembly resolution 844 (IX) of 11 October 1954, it included in its reports to the General Assembly at the latter's nineteenth, twentieth, twenty-first and twenty-third sessions, draft resolutions on the petitions examined by it for adoption by the General Assembly.

26. During 1969, the Special Committee received and examined ten petitions relating to Namibia <sup>1/</sup> which it took into account in its consideration of the Territory within the context of the Declaration on the Granting of Independence to Colonial Countries and Peoples and having regard to the provisions of General Assembly resolutions 2145 (XXI), 2248 (S-V), 2325 (XXII), 2372 (XXII) and 2403 (XXIII).

27. In view of the special responsibilities of the United Nations in regard to Namibia, the Special Committee on the proposal of its Sub-Committee on Petitions (A/AC.109/L.595), decided, at its 715th meeting, on 25 September, to recommend to the General Assembly the adoption of a draft resolution on petitions relating to Namibia examined by the Committee in 1969. The text of the draft resolution is reproduced in paragraph 31 below.

### C. DECISIONS OF THE SPECIAL COMMITTEE

28. The text of the statement made by the Chairman of the Special Committee at its 661st meeting, on 19 March, to which reference is made in paragraph 7 above, is reproduced below:

(1) Developments relating to Namibia which have occurred since early 1968, reveal a progressively deteriorating situation and give cause for grave concern. The Government of South Africa has not only persisted in its blatant defiance of the United Nations, of which it is a founding Member, by refusing to comply with the decisions of the General Assembly and the Security Council and by continuing to deny to the people of Namibia their right to self-determination and independence in accordance with General Assembly resolution 1514 (XV), but it has taken further measures aimed at destroying the unity and territorial integrity of Namibia and incorporating that Territory within South Africa.

(2) Despite the resolutions adopted by the General Assembly at its resumed twenty-second session and at its twenty-third session calling upon the Government of South Africa to comply with resolution 2145 (XXI) of 27 October 1966, the latter has persistently refused to relinquish its illegal control over the Territory or to allow the United Nations Council for Namibia to enter the Territory in order to discharge the tasks assigned to it. The South African Government has also refused outright to implement the resolutions adopted unanimously by the Security Council in January and March 1968.

(3) At the same time, the Government of South Africa has taken far-reaching measures in accordance with the recommendations of the notorious Odendaal Commission to extend its system of apartheid to Namibia and to partition the Territory by creating "bantustans" or so-called "self-governing homelands" for the non-white population groups. In June 1968, in further violation of General Assembly resolution 2145 (XXI) which stripped it of all authority in Namibia, South Africa enacted "legislation" providing for the creation of six of the proposed "homelands" and by the end of the year, it had already brought one of these, Ovamboland, into being. Measures recently taken to set up others have included the appointment of the first Herero Affairs Commissioner, further development of "Damaraland", and a plan for the forcible removal of the Nama inhabitants of Hoachanas to their "homeland".

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<sup>1/</sup> Certain petitions which raised matters of concern to the United Nations Council for Namibia, were, moreover, brought to the latter's attention by the Secretariat.

(4) At the same time that it is pushing forward with its plans for partitioning the Territory, South Africa has been accelerating the process of integrating the Territory into South Africa. After announcing its intentions with regard to the transfer of governmental functions in a White Paper issued in mid-1968, the South African Government later incorporated them in a bill which it moved for adoption by the South African Parliament in February 1969. Under the bill, known as "the South West Africa Affairs Bill, 1968", a major part of the administrative, legislative and financial powers currently vested in the Territory would be transferred to South Africa, thereby leaving to the local authorities essentially the same limited functions as those exercised by the provincial governments in South Africa. According to recent reports the bill has passed its third reading in the South African Parliament and is expected to become effective on 1 April 1969. Also in February, another bill, entitled the Land Bank Amendment Bill, was introduced in the South African Parliament; it provides for the incorporation of the "Land and Agriculture Bank of South West Africa" into the Land and Agriculture Bank of South Africa. Racial segregation in urban areas has also been progressively intensified, one particularly telling example being the forcible removal of the indigenous people from the Old Location in Windhoek to a new African township at Katutura.

(5) It will also be recalled that earlier, South Africa had extended the South African Terrorism Act, 1967 to the Territory, and that a group of Namibians, all members of the South West Africa People's organization (SWAPO), were arrested in the Territory, deported to South Africa and, after a long detention, tried and convicted in Pretoria for alleged "terrorist activities" in violation of resolution 2324 (XXII) of the General Assembly and of resolutions 245 (1968) and 246 (1968) adopted unanimously by the Security Council. In further defiance of the authority of the United Nations, the Appellate Division of the South African Supreme Court at Bloemfontein in November 1968 rejected an appeal by thirty-one of these Namibians. The appellants based their appeal on the fact that all of South Africa's illegal actions referred to above, including the enactment of the Terrorism Act under which they had been charged, had occurred after the adoption of General Assembly resolution 2145 (XXI) which terminated the Mandate and declared that South Africa no longer had any authority in the Territory. They therefore claimed that South Africa's authority to legislate for the Territory had been nullified by the decision of the General Assembly.

(6) In the absence of any legitimate redress, the people of Namibia have intensified their armed struggle to exercise their legitimate right to self-determination and independence. On several occasions between June and December 1968, freedom fighters reportedly clashed with South African police, mainly in the Eastern Caprivi Strip. According to reports, as of October 1968, the South African police had killed forty-six Namibians and arrested 117 others in operations there. As a result of the fighting, about 1,000 Africans from the area fled to Zambia and about sixty others sought asylum in Botswana. During the same month, South Africa's Minister of Police and of the Interior said in a speech that in anticipation of increased "terrorist" attacks from across its borders, the Republic was sending hundreds of policemen to help fight "terrorists" there.

(7) In previous resolutions, the General Assembly has recommended that the Security Council should urgently take effective measures, in accordance with the provisions of the United Nations Charter, to ensure the immediate withdrawal of the South African presence from Namibia so as to enable the Territory to

attain independence in conformity with General Assembly resolutions 1514 (XV) and 2145 (XXI). Bearing in mind the increasing gravity of the situation in Namibia and taking into account the growing intransigence of the South African Government as regards the legitimate aspirations of the people of the Territory, the Special Committee considers that the Security Council should take urgent action in the spirit of the recommendations of the General Assembly.

29. The text of the consensus adopted by the Special Committee at its 692nd meeting, on 22 May, to which reference is made in paragraph 18 above, is reproduced below:

(1) The Special Committee, having heard the testimony presented to it by petitioners from Namibia and having studied the conditions prevailing in that Territory during its meetings held in Africa, expresses grave concern at the very serious situation which exists in that Territory as a result of South Africa's continuing defiance of the authority of the United Nations and its increasing resort to the use of armed force and other repressive measures to perpetuate its illegal occupation of Namibia and to suppress the liberation movement, which is struggling to assert the legitimate right of the Namibian people to freedom and independence in accordance with the Declaration on the Granting of Independence to Colonial Countries and Peoples.

(2) The Special Committee notes that despite the numerous resolutions of the General Assembly and the Security Council, in particular the latter's resolution 264 (1969), adopted unanimously on 20 March 1969, whereby the Council called on the Government of South Africa to comply with General Assembly resolution 2145 (XXI) of 27 October 1966 by immediately withdrawing its administration from the Territory, the South African Government has not only failed to relinquish its illegal control and prevented the United Nations Council for Namibia from entering the Territory, but has persisted in the adoption of legislative and other measures aimed at destroying the unity and territorial integrity of Namibia and at incorporating it within South Africa.

(3) Although two months have elapsed since the Security Council adopted the above-mentioned resolution 264 (1969), the Government of South Africa has not only failed to carry out its provisions, but has persisted in the application of the so-called "Development of Self-Government for Native Nations in South West Africa Act", which provides for the partitioning of Namibia along apartheid lines and the creation of "bantustans" for the non-white population groups. In accordance with this illegal "Act", the Government of South Africa has already established one "bantustan" in Ovamboland and is actively proceeding towards the creation of others; it is also intensifying measures of racial segregation in urban areas and elsewhere by forcibly removing Africans from their homes, despite the hardships and suffering which such action entails.

(4) Furthermore, in April 1969, in flagrant defiance of the Security Council which, in paragraph 5 of its resolution 264 (1969), declared that it had no right to take such action, the Government of South Africa promulgated the "South West Africa Affairs Act, 1969" transferring administrative, legislative and financial powers from the Territorial authorities to South Africa and, in effect, virtually reducing the Territory to the status of a South African province.

(5) Not content with these measures which are designed to perpetuate its illegal control over Namibia in blatant defiance of the authority of the United Nations, the Government of South Africa has, since 1968, intensified its repression of the Namibian people and has resorted increasingly to the use of force to suppress the liberation movement which is struggling to free the Territory, to support the racist régimes in adjacent territories and to threaten the security of independent African States.

(6) In the light of the special responsibility towards the people of Namibia which the United Nations assumed under the terms of General Assembly resolution 2145 (XXI), the Special Committee considers that it is incumbent upon it to draw the attention of all Member States to the dangerous situation which exists in Namibia as a result of South Africa's continued defiance of the United Nations and its persistent policy of repression. The Special Committee deplores in this connexion the support given to South Africa in the pursuit of its policy in Namibia by its major trading partners and by certain foreign economic and other interests, and calls upon the Governments concerned immediately to cease extending assistance and co-operation to South Africa.

(7) The Special Committee once again affirms the legitimacy of the struggle of the people of Namibia to attain their inalienable right to freedom and independence and urges all States as a matter of urgency to extend all possible moral and material assistance to the national liberation movement of Namibia, with the efforts of which the Special Committee is in full sympathy.

(8) Further, the Special Committee calls upon the Government of South Africa, in view of the armed conflict prevailing in Namibia and the inhuman treatment of prisoners, to ensure the application of the Geneva Convention relative to the Treatment of Prisoners of War of 12 August 1949 2/ to all those arrested or made prisoners for their activities as freedom fighters.

(9) The Special Committee wishes, in particular, to draw the situation in the Territory to the attention of the Security Council and expresses the hope that the latter, in accordance with paragraph 8 of its resolution 264 (1969), will meet to determine upon necessary steps or measures in accordance with the relevant provisions of the United Nations Charter in view of the failure on the part of the Government of South Africa to comply with the provisions of that resolution.

30. The text of the consensus adopted by the Special Committee at its 704th meeting, on 3 July, to which reference is made in paragraph 23 above, is reproduced below:

(1) The Special Committee, within the context of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, is gravely concerned at the illegal action taken by the Government of South Africa in committing for trial a further group of nine Namibians on charges under the South African Terrorism Act of 1967 which could result in the imposition of death sentences. These nine persons, who are reported to have been imprisoned in South Africa for periods up to three years before being formally charged, were scheduled to be brought to trial in Windhoek, Namibia, on 1 July 1969.

(2) In this connexion, the Special Committee recalls that the action by the South African authorities is in direct violation not only of resolution 2145 (XXI) of the General Assembly which terminated South Africa's Mandate to

2/ United Nations, Treaty Series, vol. 75-(1950), No. 972.

administer Namibia and of resolution 264 (1969) of the Security Council which called upon South Africa to comply with that resolution, but is also in flagrant contravention of resolutions 2324 (XXII) of the General Assembly and 245 (1968) and 246 (1968) of the Security Council, which voiced the universal condemnation of the international community for the action previously taken by South Africa in illegally applying the Terrorism Act of Namibia and sentencing Namibians under it in denial of their rights and status as persons for whom the United Nations has direct responsibility.

(3) The Special Committee considers that this fresh outrage by the South African authorities constitutes not only a cynical denial to the Namibian people of their basic rights, but is a further flagrant defiance of the United Nations which has assumed the responsibility to protect those rights. Such action by a Member State is not only unacceptable but is calculated to destroy the authority of the United Nations.

(4) It is accordingly the view of the Special Committee that the Security Council in pursuance of its resolutions 245 (1968) and 246 (1968), and especially of operative paragraph 8 of its resolution 264 (1969), should consider urgently effective steps or measures in accordance with the relevant provisions of the United Nations Charter in order to obtain the compliance of South Africa with its decisions.

31. The text of the draft resolution relating to Namibia, recommended by the Special Committee for adoption by the General Assembly, to which reference is made in paragraph 27 above, is reproduced below:

The General Assembly,

Bearing in mind the special responsibilities of the United Nations with regard to Namibia, including in particular those set out in General Assembly resolutions 2145 (XXI) of 27 October 1966, 2248 (S-V) of 19 May 1967, 2325 (XXII) of 16 December 1967 and 2403 (XXIII) and 2404 (XXIII) of 16 December 1968,

Noting that the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples has received and examined during 1969 ten petitions concerning Namibia, in accordance with paragraph 3 of General Assembly resolution 1805 (XVII) of 14 December 1962 and within the context of the implementation of the Declaration,

Noting further that these petitions relate, inter alia, to the general situation and recent developments concerning Namibia, the refusal by South Africa to implement General Assembly resolutions 2145 (XXI) and 2248 (S-V), and, in particular, the continued implementation by South Africa of the recommendations of the Odendaal Commission, including the partitioning of the Territory into "self-governing homelands", and the removal of Africans from their ancestral lands,

1. Notes that the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples has taken these petitions into account in its consideration of the situation in Namibia within the context of the implementation of the Declaration;

2. Notes further that those petitions which raised matters of concern to the United Nations Council for Namibia have been brought to the latter's attention by the Secretariat and have been taken into consideration by the Council in the performance of the functions assigned to it by the General Assembly in resolutions 2248 (S-V), 2325 (XXII) and 2403 (XXIII);

3. Draws the attention of the petitioners concerned to the report concerning the Territory submitted by the Special Committee and to the resolutions on the question of Namibia adopted by the General Assembly at its twenty-fourth session, as well as to the report of the United Nations Council for Namibia.



ANNEX\*

WORKING PAPER PREPARED BY THE SECRETARIAT

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\* Previously issued under the symbol A/AC.109/L.539 and Corr.1 and Add.1.

A. ACTION PREVIOUSLY TAKEN BY UNITED NATIONS BODIES  
DIRECTLY CONCERNED WITH NAMIBIA

1. The question of Namibia, formerly known as "South West Africa", has been under continuous consideration by United Nations bodies since 1946. It will be recalled a/ that the Territory, which was previously administered by South Africa under a League of Nations Mandate, became a direct responsibility of the United Nations when the General Assembly, by its resolution 2145 (XXI) of 27 October 1966, terminated the Mandate on the grounds that South Africa had failed to fulfil its obligations thereunder. By its resolution 2248 (S-V) of 19 May 1967, the General Assembly decided to create an eleven-member Council, now known as the United Nations Council for Namibia, to take over the administration of the Territory and, with the assistance of a United Nations Commissioner, to prepare it for independence which, the Assembly envisaged, should if possible be attained by June 1968. The Council was instructed, among other things, to proceed immediately to the Territory to replace the South African administration and the Security Council was requested to take all appropriate measures to enable it to discharge its functions.

2. Since its establishment in June 1967, the Council has been prevented from discharging its functions in the Territory by the refusal of the Government of South Africa to comply with the terms of resolutions 2145 (XXI) and 2248 (S-V). The Government of South Africa, in a letter to the Secretary-General dated 26 September 1967, explained that it did not consider resolution 2145 (XXI) to be legally valid and that it would continue to administer the Territory notwithstanding the Assembly's decision. In the light of this and of the Council's first report, b/ which disclosed inter alia that the Government of South Africa was continuing to act in a manner designed to consolidate its control over the Territory, the General Assembly, by its resolution 2325 (XXII), of 16 December 1967, condemned the refusal by South Africa to comply with its decisions and declared that the continued presence of South African authorities in the Territory was a flagrant violation of the latter's territorial integrity and international status. The Assembly called again on South Africa to withdraw from the Territory, appealed to all Member States to take effective action to secure its immediate withdrawal and requested the Security Council to take all appropriate measures to enable the Council to discharge fully the functions and responsibilities entrusted to it.

3. On the same date, the General Assembly also adopted resolution 2324 (XXII) whereby it called for the release and repatriation of thirty-seven Africans of the Territory who had been illegally arrested, deported to South Africa and placed on trial on charges under the South African Terrorism Act, 1967 and the Suppression of Communism Act, 1960. South Africa's non-compliance with this resolution

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a/ For information on action during 1966 and 1967, see the Special Committee's report to the General Assembly at its twenty-third session (A/7200/Add.2, chap. VII, annex, paras. 1-29).

b/ Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 64 (A/6897).

subsequently led to the matter being considered on two occasions by the Security Council. The latter, in its resolutions 245 (1968) and 246 (1968) adopted on 25 January and 15 March respectively, likewise demanded the immediate release and repatriation of the persons concerned and called on Member States to co-operate with the Security Council in order to obtain South Africa's compliance. c/ In a letter (S/8506, annex I) sent in response to the second resolution, which was adopted after news had been received of the conviction and sentencing to various terms of imprisonment of thirty of those on trial, the Foreign Minister of South Africa recalled that he had previously explained his Government's reasons for refusing to accept General Assembly resolution 2145 (XXI) as legally valid and added that his Government's views applied with equal force to all resolutions, including resolutions of the Security Council, which were based on, or flowed from, that resolution.

4. In its second report d/ submitted to the resumed twenty-second session of the General Assembly, the United Nations Council for Namibia, then still called "South West Africa", gave an account of its activities during the period 1 November 1967 to 4 May 1968. The Council reported, among other things, that in April it had endeavoured to enter the Territory in pursuance of its Mandate but had been unable to do so owing to the persistently defiant attitude of South Africa. Although prevented from carrying out its primary task, the Council had, however, held meetings in Africa with representatives of the people of the Territory and was actively considering a number of matters within its Mandate. The Council concluded, none the less, that it could not fully discharge its functions and responsibilities, unless appropriate and effective action was taken to ensure the removal of South Africa's presence from the Territory.

5. Following the submission of its report, the Council on 22 May 1968 adopted a declaration concerning the Territory, the text of which was transmitted to the President of the General Assembly on 27 May (A/7101) e/ and to the President of the Security Council on 29 May. In this declaration the Council drew attention to the introduction in the South African Parliament of the "Development of Self-Government for Native Nations in South West Africa Bill" (see paras. 36-43 below) which, the Council pointed out, was in clear violation of General Assembly resolution 2145 (XXI). The Council stated its conviction that the action, which, it said, was calculated to destroy the unity and territorial integrity of the Territory, would seriously aggravate the already existing threat to international peace and security. It considered that concerted action should be taken urgently to prevent the dismemberment of the Territory and to ensure South Africa's withdrawal.

c/ Replies of Governments concerning the action taken by them in response to General Assembly resolution 2324 (XXII) and Security Council resolution 245 (1968) were circulated in a report by the Secretary-General on the implementation of the resolutions. See A/AC.109/283, A/7045 and Adds.1-25 (for the text of this document see Official Records of the Security Council, Twenty-third Year, Supplement for January, February and March 1968 (S/8357 and Adds.1-25). Replies to Security Council resolution 246 (1968) were circulated in a second report (S/8506 and Adds.1-4).

d/ Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 64 (A/7088).

e/ For the text of this document see Official Records of the Security Council, Twenty-third Year, Supplement for April, May and June 1968 (S/8600).

6. On 12 June 1968, the General Assembly, after debating the question at plenary meetings, adopted resolution 2372 (XXII). By this resolution, the Assembly, among other things, proclaimed that in accordance with the desires of its people, "South West Africa" should henceforth be known as Namibia. The Assembly recommended that the Security Council should urgently take effective measures, in accordance with the provisions of the United Nations Charter, to ensure the immediate removal of the South African presence from Namibia and to secure for Namibia its independence. The Assembly expressed the view that the continued foreign occupation of Namibia by South Africa in defiance of the relevant United Nations resolutions and of the Territory's established international status constituted a grave threat to international peace and security. The Assembly condemned South Africa for its persistent refusal to comply with United Nations resolutions on this question, its refusal to withdraw from Namibia, its obstruction of the efforts of the Council for Namibia to proceed to the Territory, and its actions designed to consolidate its illegal control over Namibia and to destroy the unity of the people and the territorial integrity of Namibia.

7. In other provisions of the resolution, the Assembly condemned the actions of those States which, by their continued collaboration with the Government of South Africa, had encouraged that Government to defy the authority of the United Nations and to obstruct the attainment of independence by Namibia. It called upon all States: (a) to take effective economic and other measures with a view to securing the immediate withdrawal of the South African administration; (b) to provide the necessary assistance to the Namibians in their legitimate struggle for independence; and (c) to assist the Council for Namibia in the discharge of its mandate.

8. The Assembly decided that the Council for Namibia should perform, as a matter of priority, the following functions: (a) the establishment of a co-ordinated emergency programme for technical and financial assistance to Namibia, in consultation and co-operation with the specialized agencies and other appropriate organs of the United Nations; (b) the organization of a training programme for Namibians, in consultation with interested Governments, aiming at the development of a cadre of civil servants and of technical and professional personnel; and (c) the continuation of consultations, with a sense of urgency, on the question of issuing to Namibians travel documents enabling them to travel abroad. The Assembly also requested the Secretary-General to continue to provide all possible assistance to the Council for Namibia and to report to the General Assembly and the Security Council on the implementation of the resolution.

9. In August 1968, the Secretary-General submitted a report to the General Assembly (A/7171) as well as to the Security Council (S/8737) concerning the implementation of the above resolution. The substantive parts of replies received subsequently by the Secretary-General were later circulated as addenda to the reports submitted to the General Assembly (A/7171 and Adds.1-6) and to the Security Council (S/8737 and Adds.1-6). As at 5 December 1968, replies had been received from forty-three Governments, exclusive of South Africa, and nine international organizations.

10. In its report f/ to the twenty-third session of the General Assembly, the United Nations Council for Namibia stated that since the adoption by the General

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f/ Official Records of the General Assembly, Twenty-third Session, agenda item 64 (A/7338).

Assembly of resolution 2372 (XXII), the South African Government had persisted in, and intensified, its defiance of all United Nations decisions on Namibia. It had continued to refuse to comply with the demand that it withdraw from Namibia unconditionally and without delay all its military and police forces and its administration. It had, on the other hand, sought by various means to consolidate its illegal control over the Territory. The most serious step in this direction had been the implementation of the decision to create separate "homelands" (see paras. 36-58 below) designed to destroy the territorial integrity of the Territory and to facilitate its illegal annexation. The Council, among other things, reiterated that it could be expected to discharge its primary functions effectively only if the necessary measures were taken to remove South Africa's presence from the Territory.

11. Accordingly, the Council for Namibia recommended, among other things, that the General Assembly should: (a) request the Security Council to take effective measures including those provided for under Chapter VII of the Charter, if necessary, to secure the withdrawal of South Africa from the Territory so as to enable the people of Namibia to achieve their independence at the earliest date; (b) call upon all States to pursue all diplomatic, consular, commercial or other relations in regard to Namibia exclusively with the Council for Namibia; (c) declare all transactions with the South African authorities in regard to Namibia since the termination of the Mandate to be illegal and invalid; (d) call upon all States to co-operate fully with the Council and to extend the necessary assistance to the Council with regard to travel documents issued by it to Namibians; and (e) call upon the South African Government to respect the Geneva Conventions of 1949 relating to the treatment of prisoners of war, with regard to the Namibian freedom fighters, and to the protection of civilians in time of war.

12. During 1968, the question of Namibia was also considered by the Special Committee within the context of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples at meetings on 14 and 15 February and again on 30 April. On 15 February, the Committee adopted a consensus (A/7200/Add.2, chap. VII, section III A) concerning the continuation of the trial and imposition of sentences on the group of Namibians referred to in paragraph 3 above. In this consensus, the Committee expressed its profound indignation at the South African Government's disregard of General Assembly resolution 2324 (XXII) and Security Council resolution 245 (1968) and expressed the view that the Security Council should consider urgently taking effective action. The text of this consensus was transmitted to the President of the Security Council on 15 February (S/8410).

13. The Special Committee took up the question again on 30 April in the light of the forthcoming debate on the item by the General Assembly at its resumed session. The Committee decided to request its Chairman to make a statement expressing the Committee's position with regard to the question for the information of the General Assembly. The text of this statement (see A/7200/Add.2, chap. VII, section III B) was transmitted to the President of the General Assembly on 1 May. g/

14. On 29 October, the Special Committee decided without discussion to recommend for adoption by the General Assembly the text of a draft resolution on petitions concerning Namibia examined by the Committee in 1967 and 1968. The General Assembly subsequently adopted this draft resolution as resolution 2404 (XXIII) (see para. 18 below).

g/ A/7091.

15. At its twenty-third session, the General Assembly considered the question of Namibia in the light of the reports of the United Nations Council for Namibia (A/7338) and of the Special Committee (A/7200/Add.2, chap. VII). It also had before it the report of the Secretary-General (A/7171 and Add.1-6) on the implementation of its resolution 2372 (XXII).

16. On 16 December 1968, the General Assembly adopted two resolutions on the question of Namibia. The operative paragraphs of the first of these, namely resolution 2403 (XXIII), read as follows:

"1. Reaffirms the inalienable right of the people of Namibia to self-determination and independence in conformity with General Assembly resolution 1514 (XV) and the legitimacy of their struggle against the foreign occupation of their country;

"2. Reiterates its condemnation of the Government of South Africa for its persistent defiance of the authority and resolutions of the United Nations, for its refusal to withdraw from Namibia and for its policy and actions designed to destroy the national unity and territorial integrity of Namibia;

"3. Decides to draw the attention of the Security Council to the serious situation which has arisen as a result of the illegal presence and actions of the South African Government in Namibia;

"4. Recommends the Security Council urgently to take all effective measures, in accordance with the relevant provisions of the Charter of the United Nations, to ensure the immediate withdrawal of South African authorities from Namibia so as to enable Namibia to attain independence in accordance with the provisions of General Assembly resolutions 1514 (XV) and 2145 (XXI);

"5. Commends to the appropriate organs of the United Nations acting in conformity with the relevant resolutions of the General Assembly, for their consideration, the recommendations contained in the report of the United Nations Council for Namibia;

"6. Requests the United Nations Council for Namibia to continue to discharge by every available means the responsibilities and functions entrusted to it;

"7. Requests the Secretary-General to continue to provide the necessary assistance and facilities to enable the United Nations Council for Namibia to perform its duties and functions."

17. The text of the resolution was transmitted to the President of the Security Council on 23 December (S/8943).

18. By its second resolution concerning Namibia, namely resolution 2404 (XXIII), the General Assembly took note of the matters raised in petitions examined by the Special Committee, as well as the action taken by the Committee thereon and drew the attention of the petitioners to the relevant reports concerning the Territory.

19. On 20 December, the General Assembly adopted resolution 2465 (XXIII) concerning the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By this resolution the General Assembly inter alia reaffirmed previous resolutions on this subject, and requested the Special Committee to continue to perform its task and to seek suitable means for the immediate and full implementation of the Declaration in all Territories which had not yet attained independence. It further requested the Committee to examine the compliance of Member States with the Declaration and other relevant resolutions on the question of decolonization, particularly those relating to Namibia among others, and to report thereon to the General Assembly at its twenty-fourth session.

20. On 28 February 1969, the President of the United Nations Council for Namibia addressed a letter (S/9032) on behalf of the Council to the President of the Security Council, drawing the latter's attention to the deteriorating situation in the Territory brought about by South Africa's continued illegal occupation of Namibia in defiance of the General Assembly's resolutions. The President of the Council for Namibia pointed out that since the adoption of General Assembly resolution 2145 (XXI), the Government of South Africa had not only defied the United Nations and denied the people of Namibia their right of self-determination, but had engaged in a number of illegal actions aimed, among other things, at destroying Namibia's territorial integrity. Citing specific examples of such illegal actions, he said that the United Nations Council for Namibia considered that urgent action was necessary to secure the immediate withdrawal of South Africa from the Territory. The Council was convinced that owing to the progressively deteriorating situation there was a danger that widespread racial conflict might occur in the area and that the situation therefore constituted a serious threat to international peace and security calling for urgent consideration by the Security Council.

## B. INFORMATION ON THE TERRITORY

### 1. GENERAL

21. Information on the Territory is contained in the previous reports of the Special Committee <sup>h/</sup> and also in the reports of the United Nations Council for Namibia <sup>i/</sup>. Supplementary information on recent developments is set out below.

### 2. POLITICAL DEVELOPMENTS

#### Implementation of the recommendations of the Odendaal Commission

22. During 1968 the South African Government, in further defiance of United Nations decisions, took additional steps towards implementing the recommendations made in 1964 by the Odendaal Commission. These recommendations, which have been described in detail in previous reports (most recently in A/7200/Add.2, chap. VII, annex, paras. 31-56) called, in effect, for the partition of the Territory by creating separate self-governing "homelands", similar to "bantustans", for each of the main non-white population groups, covering altogether approximately 40 per cent of the Territory's land area, and the reservation of about 43 per cent of the remainder for white settlement. Since the non-white "homelands" would be removed from the jurisdiction of the territorial Government (in fact, African affairs already are administered directly by South Africa), it was further recommended that a major part of the existing powers and functions of the territorial Government should be transferred to South Africa, thus in effect reducing it to a status comparable to that of a provincial government in the Republic of South Africa.

23. Preparatory measures to implement the Commission's recommendations, which were begun in 1966, led to the enactment in 1968 of legislation providing for the creation of six so-called "homelands". In fact, by the end of the year, one, Ovamboland, had already been created, and steps had been taken towards the establishment of others. Furthermore, after making public its intentions as regards the transfer of governmental functions in a White Paper issued in mid-1968, the South African Government later incorporated them in a draft bill which it moved for adoption by the South African Parliament in February 1969. These far-reaching developments are set out in greater detail below.

24. Transfer of governmental functions to South Africa. As noted previously (A/7200/Add.2, chap. VII, annex, paras. 33-37), in August 1967 Prime Minister Vorster announced that the South African Government was preparing legislation to put into effect the recommendations of the Odendaal Commission for the transfer of certain administrative, legislative and financial powers and functions from the

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<sup>h/</sup> For the most recent, see Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (A/6700/Rev.1) (Part I), chap. IV; A/7200/Add.2, chap. VII, annex.

<sup>i/</sup> See ibid., agenda item 64 (A/6897 and A/7088); A/7338.

territorial Government to the Government of South Africa. Although he did not at that time reveal what the changes would be, he said that they would be "consonant with the letter and spirit of the Mandate - that South West Africa should be administered as an integral part of South Africa". To facilitate the forthcoming changes, the South African Parliament in March 1968 enacted the "South West Africa Constitution Act, 1968" which consolidated the existing laws relating to the territorial Government so as to permit their eventual amendment.

25. The South African Government's proposals were revealed in a White Paper presented to the South African Parliament on 3 June 1968. Although the text of the White Paper has not become available at the United Nations, press reports indicate that the proposals were consistent with the recommendations of the Odendaal Commission. Specifically, it was proposed to transfer to the South African Government legislative and administrative powers over the following areas: (a) matters relating to the Coloured, Rehoboth Baster and Nama population groups; (b) African education; (c) public revenues, including taxation (but not personal income tax); (d) the "Land and Agriculture Bank of South West Africa"; (e) health (except for health and hospital services in white areas, which would continue to be maintained locally); (f) trade, industry and labour; (g) justice and the administration of prisons; (h) postal and telegraph services; (i) social welfare; (j) water affairs; (k) public works; (l) mines and roads; and (m) the Meat Control Board. The South African Government already controls a number of government departments in the Territory, including defence, police, African administration and development, interior, information, immigration, customs and excise, currency and banking, civil aviation, railways and harbours. A further consequence of the transfer of legislative powers in these areas would be to make applicable to the Territory many South African laws which had not previously been applied to "South West Africa".

26. According to the White Paper, responsibility for the education, welfare and economic development of the Coloureds, Basters and Namas, would be transferred to the South African Department of Coloured Affairs, which would be responsible for administering them as separate ethnic groups with a view to their eventually becoming separate self-governing communities. The Coloureds, while being prepared for self-government, would be given representation in the proposed Coloured Persons Representative Council in South Africa and the existing Coloured Council in the Territory would be retained only as a regional board. The Basters would continue to exercise their existing rights in the Rehoboth Gebiet until a new constitution could be drafted giving them full self-government. With respect to Africans, the responsibility for education and health services would be transferred to the South African departments responsible for Bantu affairs which already had charge of the administration of African affairs in the Territory.

27. As regards financial matters, it was proposed that taxes would be collected in the Territory by the Republic which would then subsidize expenditure by the territorial "Administration" on a pre-determined basis. An exception was to be made, however, in the case of income tax on individuals, which would remain under the control of the territorial "Administration" in order to ensure that the rearrangement should impose no additional burden on taxpayers. Personal tax would, however, be collected by the South African Department of Internal Revenue, which would then hand it over to the territorial "Administration". The White Paper further explained that the decision to incorporate the "Land and Agriculture Bank of South West Africa" with that of the Republic had been taken in order to provide

a broader basis for assisting farmers in the Territory who, in general, had to contend with greater difficulties than those in the Republic. In so far as possible all funds derived in the Territory would be used in the Territory and current rates of interest would remain unchanged. Two members from the Territory would be appointed to the board of directors of the "Land and Agriculture Bank of South Africa" and two of the present directors of the Territory's Land Bank would be appointed as advisers to the new branch in the Territory for the duration of their unexpired term of office.

28. The White Paper said that the sole aim of the financial and administrative rearrangements contemplated was to promote the welfare and security of all the Territory, and all its population groups, and to meet the requirements of the new period of large-scale development upon which the Territory had already embarked, by making greater contributions available from the Republic in financial and administrative fields. It asserted, however, that the rearrangements would "not alter the international status of the Territory".

29. On 5 February 1969, a bill was introduced in the South African Parliament to effect the changes outlined in the White Paper by amendment to the 1968 Constitution. Under the bill, known as the South West Africa Affairs Bill, 1968, the administration of all affairs of the Territory relating to any scheduled matter (i. e., any matter on which the Legislative Assembly will be prohibited to legislate, see para. 30 below), would be transferred to the appropriate minister in the Republic and the power to legislate by proclamation on any scheduled matter would be vested in the State President of the Republic. The State President would further be empowered to repeal or amend any law already in force in the Territory relating to a scheduled matter, any such legislative action having only to be published in the Gazette of the Republic of South Africa and not in the Official Gazette of the Territory.

30. According to the bill, the "Legislative Assembly of South West Africa" would be prohibited from passing ordinances in any of the following areas: (a) African affairs, including education, health, veterinary services and roads in African areas; (b) matters specifically affecting Coloureds, Basters and Namas, including education; (c) the administration of justice; (d) prisons or prisoners; (e) mining; (f) forestry, except for conservation; (g) surveying or registering of deeds; (h) agriculture; (i) the incorporation, registration, management or dissolution of companies; (j) fishing, except for the licensing of fishing boats; (k) control of publications and entertainment; (l) labour; (m) taxes on income, except for personal income tax and taxes on foreign shareholders; (n) riotous assembly and engendering feelings of hostility between various racial groups.

31. The powers of the "Administrator" of the Territory and the "Executive Council" to deal with all matters except for those delegated to the "Legislative Assembly" would similarly be rescinded.

32. In regard to financial affairs, the bill proposed to repeal the provision of the 1968 "Constitution" which prohibits taxes levied in the Republic (apart from personal income tax and tax on foreign shareholders) from being levied in the territory and to establish, within the Consolidated Revenue Fund of the Republic, a "South West Africa Account", consisting of all revenue from the Territory relating to scheduled matters, as well as moneys accruing to that account from any other source. The Territorial Revenue Fund, on the other hand, would receive all revenues

from the Territory relating to matters on which the "Legislative Assembly" would retain the power to make ordinances as well as an annual amount from the Consolidated Revenue Fund calculated according to formula.

33. At approximately the same time, a second bill, entitled the Land Bank Amendment Bill, was also introduced in the South African Parliament to provide for the integration of the "Land and Agriculture Bank of South West Africa" into the "Land and Agriculture Bank of South Africa". A separate bill for this purpose was necessary because the Land Bank was not a governmental department.

34. In the course of the debate on the South West Africa Affairs bill in the South African Parliament, the Minister of the Interior, Mr. S.L. Muller, replying to strong criticism by members of the opposition United Party directed particularly at the clause which provided that the laws of the Republic could be made applicable to the Territory by proclamation of the State President, stated that the powers were of a transitional nature and did not mean that the State President would govern the Territory by proclamation. Although he personally did not like legislation by proclamation, in this case, where the transfer of administrative powers was going to take place, it would not be possible for minor administrative changes to be submitted to Parliament for legislation. To show his good faith in the matter, he said that he would move an amendment in the committee stage which would provide that all proclamations would have to be laid on the table of the Senate and the Assembly. Furthermore, he would also move an amendment to the effect that the relevant clause would remain in force only until 30 June 1971, provided that proclamations made before that date would continue to have effect.

35. In the Territory, the proposed changes appear to have been received with mixed feelings among the white inhabitants. At the annual congress of the National Party of "South West Africa" held in 1968, they were approved by a show of hands and the South African Government stated that it accepted this vote as representing the will of the Territory as a whole. On 28 August, however, the United National South West Party, representing the white opposition in the "Legislative Assembly" issued a statement opposing any diminution of the Territory's autonomy and calling on the South African Government to consult the voters of the Territory by referendum before presenting its proposals to Parliament in the form of a bill. Later, in October, at the annual congress of the United South West Party, Mr. J.P. Niehaus, its leader, bitterly attacked both the transfer of powers and the proposals for the creation of self-governing "homelands" for the non-white population. Among other things, he said that the South African Government's irrevocable decision to give effect to the political and administrative proposals of the Odendaal Commission was calamitous. Such important proposals should have been submitted to the electorate of the Territory. He added that Namibia was not a bankrupt country nor in administrative difficulties. If the proposed "mini-Bantustans" could become economically viable as the Government argued, then there was all the more reason why Namibia could have continued to develop as in the past. If a change was required, then it was a sad commentary on the manner in which the South African Government had fulfilled its responsibilities under the Mandate. From the legislative point of view, the new arrangements were retrogressive. Forty years' careful consideration by the "South West Africa" Legislative Assembly was being destroyed in one swoop. Mr. Niehaus also said that his party had always stood for Native development, but that such development should not take place at the price of the loss of legislative, administrative and financial control exercised by the territorial Administration.

36. Development of Self-Government for Native Nations in South West Africa Act, 1968. While South Africa was preparing to reduce the autonomy of the territorial Government, it was also pushing forward its plans for partitioning the Territory. On 3 June 1968, the same day on which the White Paper referred to above was published, the South African Parliament passed an Act (Act No. 54 of 1968) confirming the creation of six of the proposed "homelands", namely Damaraland, Hereroland, Kaokoland, Okavangoland, Eastern Caprivi and Ovamboland, and authorizing the establishment in each of legislative and executive councils and other governing bodies.

37. The act, which sets out the basis on which the so-called "self-governing homelands" will be organized, empowers the State President of South Africa to establish legislative councils, in each case by proclamation after consulting the "native nation" concerned. The composition of the councils (which may, depending on the circumstances and wishes of the "nation", include elected representatives in addition to traditional leaders), the period of office and conditions of service of their members are also to be determined by proclamation of the State President, and dissolution of a council may be similarly effected. In all cases, the State President will retain the right to amend or repeal legislation enacted by a council or may himself make new laws applicable to a "homeland", or part thereof, again by proclamation.

38. According to the act, each council will be empowered to enact legislation binding upon all members of the "native nation" concerned regardless of whether they reside within the "homeland" or in some other part of the Territory. The act sets out a long list of matters on which, subject to the approval of the State President, they may be empowered to legislate, among which are: the advancement of education, including the establishment, maintenance and control of educational institutions; welfare services and medical clinics; the administration of civil and criminal justice according to tribal and customary law; taxation; the issuance of business licences; the establishment, financing and carrying on of industrial trading, finance and other business undertakings for the economic progress of the "homeland"; roads, bridges, dams, waterworks and sanitation; farming and agriculture; afforestation; markets, the establishment and maintenance of labour bureaux; building construction; the administration of revenue funds; and any other matters declared to fall within the powers of a legislative council by the South African Parliament.

39. With respect to the executive branch of government within the "homelands", the act calls for the establishment of executive councils composed of members of the legislative councils in a manner to be determined by proclamation of the State President. Among other things, the executive councils will be authorized to establish executive departments and: (a) to assume a leading role with respect to the material, spiritual and moral welfare of the "native nation" in question; (b) to advise the South African Government on all matters relating to their powers and functions; and (c) to exercise such other powers and perform such other functions as may be assigned to them by proclamation. The Minister of Bantu Administration and Development is authorized to designate white officials of the public service to assist the executive councils in the administration of the departments established.

40. The act calls for the recognition of tribal and community authorities, functioning in accordance with local law and customs, and for the establishment of

such authorities in tribes or communities where they do not exist, to exercise such powers and perform such functions as the State President may determine. Existing tribal governments, whether or not they have been recognized, may be replaced, if it is considered expedient, by proclamation of the State President.

41. The State President, by proclamation, may also establish regional authorities in respect of two or more tribal or community authorities which may exercise powers, including the powers of legislative enactment, as prescribed by him, and in consultation with the legislative council, if one exists in respect of the area in question.

42. With regard to financial matters, the act provides for the establishment of a revenue fund by each executive council and a revenue account by each subordinate authority. The books and accounts will normally be audited by the Controller and Auditor-General of the Republic.

43. The act does not apply to the Basters and Namas, who already have their own form of government, or to the Coloureds and Bushmen, for whom there are special considerations (see para. 26 above).

44. It will be recalled that according to the 1960 population census, there were at that time 286,485 Africans living in the four northern Native reserves and 142,099 permanently resident within the Police Zone. Of the latter, only 24,931 lived in Native reserves, the remainder living mainly in urban centres or on "white" farms. The settlement of the "homelands" on a tribal basis would thus require considerable relocation of population groups (see below). This was one of the arguments adduced by the Opposition in the South African Parliament when it unsuccessfully opposed the passage of the bill. Sir de Villiers Graaf, leader of the Opposition, who made this point, said also that the lack of viability of the proposed "homelands" and the smallness of the groups involved (who, apart from the Ovambos, ranged in numbers from only 2,600 Tswana to 29,000 Okavangos) meant that their "independence" could only be a mockery and a delusion. The South African Government, he said, was seeking to apply to the Territory its apartheid policy and he described the proposed measures as impracticable, dangerous and futile.

45. Creation of the Ovamboland "self-governing homeland". Following the passage of the Development of Self-Government for Native Nations in South West Africa Act, the constitution of the Ovamboland "homeland" was promulgated by proclamation published in a South African Government Gazette Extraordinary of 2 October 1968. The proclamation stated that, as required by the act, the constitution had been drawn up following consultation with the "nation of Ovamboland" (see A/7200/Add.2, chap. VII, annex, para. 39).

46. The constitution provides for a legislative council of no more than forty-two members and an executive council of seven members, one of whom will be elected chief councillor. The seven regions of Ovamboland, each of which has its own tribal council and its own seat of local government, will each be entitled to nominate a member of the executive council and to be represented by no more than six members of the legislative council, either elected by the tribal electorate or nominated or both.

47. The legislative council is required to meet every year, and the period between two sessions must not exceed fifteen months. The State President, the South

African Minister of Bantu Administration and Development, and any person specifically authorized by the State President, may attend and address a sitting of the council.

48. The executive council, which will control seven departments (education, works, justice, economy, agriculture, finance and authority affairs, and community affairs) will be presided over by the chief councillor, who will hold office until a successor is elected at the fifth ordinary session of the legislative council. Other councillors will hold office for five years from the date of nomination. All posts in the civil service have been graded for Ovambos and the head of each department will be called a director, with a chief director to co-ordinate the administration. Initially, these posts will be filled by senior civil servants of the Government of South Africa, until Ovambos have been trained to take over.

49. On 16 October, the South African Minister of Bantu Administration and Development and of Bantu Education, Mr. M.C. Botha, announced the names of the office-bearers of the legislative council as well as of the members of the executive council of Ovamboland, almost all of them chiefs or senior headmen.

50. The first session of the legislative council was opened on 17 October at Oshakati, the capital of Ovamboland. In his address to the council, the Minister of Bantu Administration and Development stated that as of that day the South African administration of Ovamboland was ended and that Ovambos were the rulers of their own "homeland". He cautioned the Ovambos against listening to any advice on how to rule themselves coming from foreign Powers, who had no idea of what would benefit the "Ovambo nation" and who were only interested in furthering their own ends in Ovamboland. He said the South African Government was undoubtedly Ovamboland's best friend and its advice would be well-meant and aimed at the furtherance of interests of Ovamboland.

51. The Minister also stated that his Government believed that "nations" in southern Africa could progress side by side to self-determination along the road of peace and friendship and not the road of bloodshed, unrest and chaos. For this reason, the assistance of Ovamboland in suppressing and stamping out "elements of terrorism and anarchy" would be valued.

52. Replying to the opening address by the Minister, the chief councillor of the executive council, Chief Oshana Shiimi, was reported to have stated that the people of Ovamboland wished to live in peace and friendship and would not tolerate "terrorists" in their "nation". They wanted the legislative council, as now constituted, through which to administer Ovamboland affairs, and knew that the South African Government would continue to assist them in dealing with many problems.

53. In February 1969, Mr. M.J. Clivier, the Commissioner General for South West Africa, opening the second session of the Ovamboland legislative council, said that the current stage of Ovamboland's self-government was only a first step towards the "ultimate goal of full independence" and that what was needed was a tremendous effort to achieve gradual adaptation. Cautioning against over-hastiness, he said that, although the traditional chiefs and others had accepted the principle of elections to the legislative council, it was still too early to introduce an electoral system. Speaking of the future, he said that the Government of South Africa would continue to provide help to the Ovambo "nation"

in the form of personnel and funds for so long as such aid was needed, but only in such a manner as would help the Ovambo people to develop their own resources. He stressed the necessity to create an efficient non-white civil service and said that attention must also be given in due course to methods whereby the Ovambos could make a greater financial contribution to their own development. Mr. Olivier further stated that one of the problems facing the Ovambos was the fact that they were not yet a fully homogeneous nation.

54. It was reported in February 1969 that the initial budget approved by the Ovamboland legislative council amounted to R2,425,000, <sup>1/</sup> of which R1.1 million was allocated for public works, R900,000 for education and R207,000 for agriculture. Smaller votes were devoted to administration and financial services, community affairs, economic affairs and the judiciary. Government notices published in the Official Gazette during 1968 announced that, from 1 January 1969, the annual rates payable by members of several tribes in Ovamboland into the Ovamboland Trust Fund would be raised to R2. In some cases this amounted to a fourfold increase.

55. Development of other "homelands". Although preparations for the establishment of similar "homelands" for the Hereros and Namas were reported in 1967 (see A/7200/Add.2, chap. VII, annex, paras. 39-44), there were few new developments in that direction during the period under review, possibly because of opposition among the people concerned. However, it will be recalled that according to earlier reports, the South African authorities were reported to be engaged in a mass relocation of the Nama population, numbering 34,000, from their former reserves of Bondelswarts, Warmbed, Neuhoof and Soromas, into the area between Marientaal and Keetmanshoop which has been designated as the future "Namaland". It was further reported that this movement would be completed by mid-January 1968. In a statement issued on 24 January 1969, the United Nations Council for Namibia announced that it had received information to the effect that the South African authorities were planning to remove children of the Rovinasie Nama from the Hoachanas reserve to a new location in "Namaland" in the belief that the parents would be forced to follow them. The Council recalled that the General Assembly, in its resolution 1357 (XIV) of 17 November 1959, had urged the Government of South Africa to desist from carrying out the removal of these people and drew attention to the illegality of such action, following the adoption of General Assembly resolution 2145 (XXI).

56. In the case of the Hereros, no further action appears to have been taken, although on 5 June 1968, the South African Department of Bantu Administration and Development announced the appointment of the first Herero Affairs Commissioner who, it stated, would assume his duties at Okarara on 1 July. It will be recalled (A/7200/Add.2, chap. VII, annex, para. 40) that the task of the Commissioner is to consolidate all Herero affairs in preparation for the formation of a "homeland".

57. At a meeting of Damara leaders held at Welwitschia from 18 to 20 June 1968, the Paramount Chief of the Damaras, David Goreseb, said that, on behalf of his people, he accepted the guidance of South Africa. He appealed to all Damaras (numbering about 50,000) to reject all suspicions and doubts being created about

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<sup>1/</sup> One rand equals \$US1.40.

South Africa and to co-operate with the Government and its officials. He said that he welcomed the development taking place in "Damaraland" and promised the people's support for it.

58. Finally, in the case of the Baster community, which has long had its own form of local government in the Rehoboth Gebiet, it was reported that on 20 January 1969, Mr. Alan Louw, a spokesman for the People's Party, which controls the Baster Council, announced that the Council would shortly ask Prime Minister Vorster to grant "independence" to the Rehoboth Gebiet. The Council was said to be prepared to ask also for the enlargement of the Gebiet by the addition of certain neighbouring farms now owned by "whites" in accordance with recommendations made by the Odendaal Commission. Another spokesman for the party was later reported to have said that the Basters were prepared to take over most governmental responsibilities except for defence and foreign affairs. He added that the South African Government, which had a responsibility to the Gebiet, would be requested to finance its "independence".

#### Racial segregation in urban areas

59. Removal of the Old Location in Windhoek. During September 1968, the territorial "Administration", acting in accordance with South Africa's racial policy which requires that African residential areas should be located outside urban areas, finally effected the abolition of the old African quarter in Windhoek. With the deproclamation of this area, all its former residents, except those who voluntarily returned to Native reserves, were transferred to the newly built Katutura location, three and a half miles from the centre of Windhoek.

60. It will be recalled (A/7200/Add.2, chap. VII, annex, paras. 51-56) that efforts on the part of the "Administration" over the past eight years to effect the removal had been vigorously resisted by the people living in the Old Location and that when attempts were first made in December 1959 they led to serious disturbances in which twelve Africans were killed. By the beginning of 1966, despite incentives offered by the "Administration", only 9,000 out of a total of over 15,000 inhabitants of the Old Location had moved and it was reported that out of 3,116 houses which had been built at Katutura, 1,126 remained vacant.

61. From 1966 onwards, the "Administration" brought increasing pressure on the remaining residents of the Old Location, announcing that it had to be closed for reasons of health and sanitation. The residents were warned that as soon as sufficient new housing had been completed at Katutura, the former area would be deproclaimed and thereafter it would become illegal for anyone to live there or to employ anyone living there. In fact, legislation prohibiting the employment of Africans resident in deproclaimed areas was enacted in 1967, and on 9 April 1968, the Acting State President of South Africa approved an amendment to the Natives (Urban Areas) Proclamation, 1951 (No. 56 of 1951) prohibiting non-whites from adding to, or altering buildings in locations the removal or abolition of which had been authorized.

62. In June 1968, the Windhoek City Council decided to request the Minister of Bantu Administration and Development to deproclaim the Old Location and in the following month the Minister formally announced that the area would be deproclaimed as of 31 August 1968 for reasons of "health and safety of the public in general and of the said natives in particular". A plan approved by the City Council provided,

among other things, that compensation would be paid for "shacks" vacated prior to the deadline and that persons moving to Katutura would receive free transportation. Finally, on 2 July, the State President approved a further amendment to the Natives (Urban Areas) Proclamation, 1951, which authorized an urban local authority to effect the removal of any African refusing to leave an area designated to be deproclaimed and to ensure the demolition on removal of any "building or structure occupied or used by such person".

63. Announcement of the impending deproclamation resulted in a further protest meeting by residents of the Old Location and during June and July letters and cables protesting the move were sent to the Secretary-General of the United Nations by, among others, Mr. Clemens Kapuuo, Chief Designate of the Hereros, and Mr. John Mirundjua, a former leader of the South West Africa National Union (SWANU) (A/AC.109/PET.1018). Later, however, on 28 August, two days before the Old Location was officially deproclaimed, Mr. Kapuuo was reported to have told a second mass meeting of residents to end their resistance and accept compensation while there was still time. Mr. Kapuuo was reported to have criticized the United Nations for its failure to prevent the removal.

64. On 3 September, two days after the deproclamation, some 1,000 persons were estimated to be still living in the Old Location but in the process of arranging to move. Essential services to the area were to continue as long as there were people still resident.

65. Addressing a City Council meeting on 25 September, the Mayor of Windhoek, Mr. C. Katzke, said that the Old Location had finally been completely vacated without incident, that the houses had been demolished and that the necessary steps were being taken to have the area sprayed and cleaned up. Since July a total of 6,902 persons had been moved to Katutura and about 800 had left for the reserves.

66. Katutura township, which has been under construction since 1958, reportedly covers 579 hectares. It contains 4,116 dwellings of from two to four rooms, allocated to families. Single men are allocated rooms in blocks which are separated on a tribal basis. By terms of a government notice of 1 July 1968, employers of African men living in Windhoek townships (i.e., Katutura) are required to pay the municipality R9 per month to cover their house rentals and services. The notice further authorizes European employers to withhold from R1 to R3 monthly from the wages paid their African male help, depending on earnings, to pay toward the rental levy. Self-employed African men and women who occupy houses and take on casual employment such as laundry pay their own rental at the rate of R1.25 monthly for a two-room house to R2.15 for a four-room house, plus R1.95 for site rental.

67. Gobabis. On 3 April 1968, Mr. Guson Horeka, a Herero headman of Epukiro, was reported to have written to the Administrator of "South West Africa" and the Secretary-General of the United Nations complaining against the measures being taken by the "Administration" for promoting racial segregation in urban areas. He stated that Africans visiting Gobabis had been told that they had to live in the new non-white township. African patients at Gobabis and those coming from the reserves would have no choice of doctors, if they did not stay in the new township. Furthermore, those who came to town to look for work would only be granted permission if they stayed in the new township. Guson Horeka also stated that those wishing to visit Windhoek would only be allowed to do so if they stayed in Katutura.

Appeal by thirty-one Namibians convicted under the South African Terrorism Act, 1967

68. On 25 September 1968, the full bench of the Appellate Division of the South African Supreme Court in Bloemfontein began hearing an appeal by the thirty-one Namibians who had been convicted earlier in the year on charges under the South African Terrorism Act, 1967. It will be recalled (A/7200/Add.2, chap. VII, annex, paras. 14-29 and 57-64) that the appellants were part of a group of thirty-seven Namibians, all members of the South West Africa People's Organization (SWAPO), who had been arrested in the Territory, deported to South Africa and, after lengthy detention, tried and convicted before the Transvaal Division of the Supreme Court. All these acts, including the enactment of the Terrorism Act under which most of them were charged, occurred after the adoption of General Assembly resolution 2145 (XXI) terminating the Mandate and declaring that South Africa had no longer any authority in "South West Africa". The appellants based their appeal on this fact, claiming that South Africa's authority to legislate for the Territory had been nullified by the decision of the General Assembly.

69. It will be further recalled that these actions of South Africa had been condemned by United Nations bodies, including the Special Committee, the General Assembly, in its resolution 2324 (XXI), the United Nations Council for Namibia, the Commission on Human Rights and finally the Security Council. The latter, in its resolutions 245 (1968) and 246 (1968) adopted on 25 January and 14 March 1968, respectively, condemned the trial as illegal and a flagrant defiance of the authority of the United Nations and demanded that South Africa release and repatriate the Namibians forthwith. A similar demand was again made in a statement (A/7249) issued by the President of the United Nations Council for Namibia on the Council's behalf, on 27 September, two days after the Appellate Court began hearing the appeal. The President of the Council declared that by General Assembly resolution 2145 (XXI) the Territory had become a direct responsibility of the United Nations and that consequently South Africa had no right to legislate for, or exercise any administration over, it.

70. On 21 November the Appeal Court rejected the appeal on the grounds that section 59 of the Republic of South Africa Constitution Act deprived it of jurisdiction to inquire into or pronounce on the validity of the Terrorism Act, 1967, or section 5 of the General Law Amendment Act, 1966, in so far as they applied to the "mandated territory of South West Africa". On a secondary appeal for reduction of sentence by eleven of the convicted Namibians, the Court reduced the sentences of five from life to twenty-year terms, and confirmed the twenty-year sentences passed on the six others.

71. Following the Court's ruling, the United Nations Council for Namibia reiterated and reaffirmed the views expressed in the statement by its President of 27 September. The Council's position was made known to the President of the General Assembly (A/7365) and the President of the Security Council (S/8908).

New outbreaks of fighting

72. Between June and December 1968, clashes between South African police and freedom fighters believed to be members of SWAPO were reported to have occurred on several occasions in the Eastern Caprivi Strip, mainly in the area of the Katimo Mulilo airfield. The first news of the clashes was contained in a statement issued by

SWAPO at the end of June claiming that freedom fighters had invaded the airfield killing an undisclosed number of South African soldiers and severely damaging military installations. A second attack was alleged to have taken place some miles to the west of Runtu (Okavango), as part of the systematic intensification of the armed struggle in Namibia. These claims were subsequently denied by the South African Minister of Defence, Mr. P.W. Botha, who described them as propaganda by SWAPO, aimed at raising funds by creating the misimpression of success.

73. In September, the South African Government officially acknowledged that military activity was taking place in the Caprivi Strip. According to a statement by Mr. S.L. Muller, South Africa's Minister of Police and of the Interior, on 24 September, members of the South African police force were busy with an intensive cleaning-up operation on the borders of South Africa and Namibia, where "terrorist" activities had again recently occurred. On 12 October, Mr. Muller said in a speech at Wolseley that the major "terrorist" activity was taking place at Katimo Mulilo. "Terrorists" were moving from town to town and attempting to enlist local inhabitants and chiefs in their activities against South Africa. A fact which aggravated the situation was that most of the Africans in the Eastern Caprivi Strip were illiterate and poor and not at all well-disposed towards the whites. Thirty-three political "agitators", including five chiefs, had already been arrested in the area, and two "terrorists" had also been arrested. One of the "agitators", after having been questioned in connexion with an attack on a police vehicle in July, resulting in the death of an African policeman, had hanged himself in his cell. Mr. Muller said that South Africa was facing an increasing threat of "terrorism" in the area. He added that an organization with a strong following known as the Caprivi African National Union (CANU) also had a feeling of animosity towards the whites. Like the "terrorists", this organization received aid from Zambia.

74. The chief of the South African security police, Brigadier P.J. Venter, announced on 18 October in Pretoria that eight more Africans had been arrested in the Eastern Caprivi Strip in connexion with alleged "terrorist" activities, bringing to forty-six the number of Africans arrested in a continuing police search of the area.

75. On 28 October, Mr. S.L. Muller, addressing a National Party gathering in Springs, said that several of these forty-six Africans had been taken to Pretoria for questioning. He added that about 2,000 "terrorists" were being trained abroad by SWAPO and the African National Congress of South Africa (ANC) and that in anticipation of increased "terrorist" attacks from across its borders, the Republic was sending hundreds of policemen to help fight "terrorists" there. Mr. Muller also stated that a change in "terrorist" tactics had taken place. Previously, the "terrorist" would slip across the border in armed groups of ten or fifteen, but now they were crossing the border unarmed, their main aim being to indoctrinate African tribes.

76. On 2 November, Mr. Muller announced that during the preceding week the South African police had captured a further fifty-six "terrorists" in the Eastern Caprivi Strip. These had been largely unarmed and none had been killed. It was subsequently disclosed that, as a result of the fighting, about 1,000 Africans from the Caprivi Strip had fled to Zambia and about sixty had taken asylum in Botswana. The former group were receiving emergency relief assistance from the United Nations High Commissioner for Refugees.

77. With regard to the situation in the area, the Council for Namibia stated in a report (A/7338 and Corr.1) that in October it had received information to the effect that the South African police had killed forty-six Namibians and arrested 117 others in operations in the Caprivi Strip.

78. On 5 March 1968, the then Deputy Minister of Police, Mr. S.L. Muller, had requested the South African House of Assembly to approve an additional R1,460,000 for subsistence and transport under the Police Vote for increased activities of the South African police as a result of its presence along the borders of South Africa and "South West Africa" and in Southern Rhodesia, which could not have been foreseen when the main budget had been adopted in 1967. The vote was subsequently approved.

#### Other internal political developments

79. Expulsion of Bishop Robert Mize. On 4 May 1968, the Anglican Bishop of Damaraland, a United States citizen who had been in Namibia since 1960, informed his parishioners in a letter that the South African Ministry of the Interior would not extend his residence permit beyond 26 July. Although no reason was given, he speculated that it might be connected with an inquiry made during 1967 by the South African Security Police into his contacts with certain Namibians, in the United Republic of Tanzania and the United States of America. Although strongly opposed to apartheid, he said that he was forthrightly "anti-terrorist" and that all his contacts had been in line with his pastoral duties. The action of the South African authorities was strongly protested by the Anglican Archbishop of Cape Town in a press statement issued on 5 May.

80. Protest at the non-white Augustineum College. On 6 May 1968, about 100 students of the non-white Augustineum College, which had been opened near the town of Khomasdal earlier in the year, staged a demonstration to protest the expulsion of seven students who had been expelled apparently for political reasons.

#### The OAU and the question of Namibia

81. The Council of Ministers of the Organization of African Unity (OAU), meeting in its eleventh ordinary session in Algiers, Algeria, from 4 to 12 September 1968, adopted a resolution on Namibia. In this resolution, the Council of Ministers:

"1. Again strongly reaffirms the right of the people of Namibia to freedom and independence in conformity with the Charter of the Organization of African Unity, the United Nations Charter and the relevant resolutions of the OAU and of the United Nations;

"2. Pledges again its total and unconditional support to the people of Namibia in their legitimate struggle;

"3. Strongly condemns the South African régime for its persistent refusal to implement the United Nations resolution terminating its mandate in Namibia and for its continued defiance of world public opinion;

"4. Condemns further the South African régime for its forceful imposition of apartheid on the inhabitants of Namibia, a territory under the responsibility of the United Nations;

"5. Calls upon the Security Council once again to give effective assistance to the United Nations Council for Namibia in carrying out its mandate in conformity with the United Nations resolution 2145 (XXV) and resolution 2248 (S-V);

"6. Further calls upon the Security Council to meet without delay in accordance with operative paragraph 13 of General Assembly resolution 2372 (XXII) to invoke the necessary provisions of Chapter VII of its Charter against the South African régime for its persistent refusal to hand over the administration of Namibia to the United Nations;

"7. Calls upon all States dedicated to the ideal of peace, freedom and independence to co-operate fully with the United Nations Council for Namibia in the carrying out of its mandate;

"8. Calls upon the international community to render all moral and material assistance directly or through the OAU or the United Nations to those who are struggling against oppression in Namibia;

"9. Decides to follow up developments on the question of Namibia."

### 3. ECONOMIC DEVELOPMENTS

#### General

82. No official data on the over-all economic situation in Namibia or on its external trade in recent years are available to the Secretariat. According to articles published in the South African Financial Gazette, however, it may be concluded that the Territory is continuing to experience a period of long-term economic expansion, particularly in respect of its mining industry. The articles reveal that the gross domestic product at current market prices rose from R213.9 million in 1965 to R260 million in 1967 and that during that five years from 1962 to 1967, it increased by nearly 74 per cent. Despite the adjustment which would have to be made to offset price changes, it is evident that the growth of the economy in real terms has been substantial. The articles further point out that in 1967 the average per capita gross domestic product was R360 for the population as a whole and for whites R1,602. No figure is given for Africans whose average share of the gross domestic product would, of course, be lower since Africans are allowed to participate in the production sectors of the economy only as unskilled or semi-skilled wage earners. It should also be noted that the value of the gross domestic product is likely to be greater than the value of gross national income since much of the capital invested in mining and manufacturing (approximately 60 per cent in 1968) is foreign-owned and consequently part of the profits are remitted abroad.

83. Data on the external trade of Namibia have been unavailable since 1955 when the Territory's trade statistics were merged with those of South Africa. In the articles published in the South African Financial Gazette it was estimated that the value of Namibia's imports, mostly from South Africa, amounted in 1967 to R155 million and that exports exceeded R220 million. An indication of the growth of the Territory's external trade, and of its economy, is the increased volume of cargo handled at the port of Walvis Bay, which in 1966 and 1967 rose by 12.5 per cent each year. In 1967-1968 the total volume of cargo handled amounted to 1.5 million tons, an increase of 82 per cent over five years. During the same period the number of ships handled in the harbour increased from 425 to 1,360. More detailed information on developments in the principal sectors is set out below.

#### Public finance

84. In recent years, public expenditure in the Territory has been progressively increasing. The budget estimates for 1968-1969, which were presented to the "Legislative Assembly" for its approval on 26 April 1968, provided for total revenues of R101.2 million and total expenditures of R100.2 million. Of the estimated receipts, R80 million would be derived from ordinary revenue, R8 million would be loaned by South Africa to meet the cost of implementing the five-year development plan recommended by the Odendaal Commission, and R.13.2 million would be carried over from 1967-1968. Planned expenditures,

principally for European administration and capital projects in the Police Zone, included allocations of R41.7 million for ordinary current expenditures, R38 million for the Territorial Development and Reserve Fund and R20.5 million to the Loan Account for the financing of capital projects recommended by the Odendaal Commission. A total of R4,701,000 additional would be charged to the Reserve and Capital Contingencies Account of the Territorial Development and Reserve Funds for drought and foot and mouth disease relief measures (R2 million) and state water schemes (R2.7 million).

85. It will be recalled that since 1955, when the administration of African affairs, except for education, was taken over by the South African Department of Bantu Administration and Development, the cost of African administration has been financed by South Africa, and the development of African areas, apart from specific projects paid for through the Territorial Development and Reserve Fund and the Loan Account, has been financed from the South African Bantu Trust Fund. For 1966-1967, expenditure by South Africa in connexion with African administration was R454,601 and the expenditure incurred by the South African Bantu Trust was R3,367,757 (of which R710,873 was contributed by the Territory according to an established formula). For the period 1 April 1955 to 31 March 1967 the expenditure by South Africa on African affairs in the Territory amounted to a total of R12,798,113 (of which R3,238,865 was spent for administration and R9,559,248 was spent from the Bantu Trust Fund for development purposes).

#### Mining industry

86. Diamonds. It will be recalled (see A/7200/Add.2, chap. VII, annex, para. 70) that diamonds are the most important mineral exported from Namibia, accounting for substantially more than 50 per cent of the total value of mineral exports. The dominant company involved, the Consolidated Diamond Mines of South West Africa, Ltd., is a subsidiary of the De Beers Consolidated Diamond Mines of South Africa, and holds a concession of 10,259 square miles in the southern part of the Territory. In 1966, it recovered 1,503,837 carats (90 per cent of all diamonds mined) with a value of R85 million. The second producing company, active since 1961, has been the Marine Diamond Corporation, also a subsidiary of the De Beers Consolidated Mines of South Africa. In 1965 the company recovered 218,688 carats from the bed of the ocean between the mouth of the Orange River and Diaz Point, and 1,504 carats from its mining of the foreshore. It however incurred a net loss of almost R4 million as the result of the depreciation of fixed assets and the writing off of obsolete equipment. In October 1965, through an elaborate refunding operation, controlling interest of the company (58 per cent) was transferred to Orama Holdings Ltd., in which Consolidated Diamond Mines has an 85 per cent interest.

87. In 1967, Marine Diamond Corporation, in order to recover its continued losses, leased its mining concession areas to Consolidated Diamond Mines for a period of three and a half years from 1 July 1967, at an annual rental of R2,700,000. During this period the Corporation will take no active part in mining operations and the Consolidated Diamond Mines will carry on operations for its own account.

88. During 1967, Consolidated Diamond Mines recovered 1,445,825 carats from its open-cast workings in its own concession area and realized a consolidated net profit after tax of R54.3 million. Taxes paid amounted to R29,897,000. Operations were described as having continued satisfactorily throughout the year and substantial increases in both European and African wages were reported.

89. Marine Diamond Corporation's undersea and foreshore concessions yielded 134,514 carats and 119,830 carats respectively, the operation being conducted by Consolidated Diamond Mines for its own account from 1 July. It was reported that steady improvement in both foreshore and undersea mining techniques were realized throughout the year. Earnings from this sector were not reported separately, but were merged with those of the other non-consolidated De Beers subsidiaries.

90. The three diamond concessions in the Kaokoveld Northern Native Reserve held by the De Beers Consolidated Mines Ltd. in its own name expired on 31 December 1967 and were not renewed, the diamond content of material mined having remained small. During 1967, 566 carats were recovered in the area.

91. During 1967 there was also extensive prospecting by Tidal Diamonds (SWA) (Pty.) Ltd., jointly owned by Consolidated Diamond Mines (66.6 per cent) and the Getty Oil Co. of the United States of America. The company leases from Diamond Mining and Utility Co. (SWA) Ltd., a concession on the coast north of that held by Consolidated Diamond Mines and including the adjacent offshore area from Hottentot Bay northward to Spencer Bay up to three miles into the sea. Under the lease agreement the company must pay a royalty of 18 per cent of the sales proceeds of diamonds and 12 per cent of all other minerals, including gas and oil, rights over which are retained by the Diamond Mining and Utility Co.

92. Land prospecting conducted during the year centered around Meob Bay, while undersea activities were concentrated at Hottentot Bay where there is an estimated ore reserve of 715,000 carats. The minimum royalties paid to the Diamond Mining and Utility Co. in terms of the lease agreement for the year ending 30 June 1967 amounted to R120,000.

93. Base minerals. There are no complete statistics for 1967 on the production of base minerals in the Territory. During 1966, it will be recalled, total sales amounted to R42.8 million, derived as follows: blister copper, R19,241,000; refined lead, R12,287,000; lead/copper/zinc concentrates, R7,878,000; and other minerals, R3,333,000.

94. During 1967, as in previous years, the Tsumeb Corporation, owned jointly by American Metal Climax and the Newmont Mining Corporation (both United States companies), remained the principal producer, reporting total earnings of R52 million from the sale of 97,509 tons of lead, 40,326 tons of copper, 6,232 tons of zinc, 703,038 pounds of cadmium, and 1,832,316 ounces of silver. After paying taxes of R8,521,954 and accounting for other expenses, the Company reported net profits of R19,014,334.

95. Of the three other major producers of base minerals, the South West Africa Company, Ltd. (which is controlled by Consolidated Gold Fields, Ltd., the Anglo-American Corporation of South Africa, Ltd., and the British South Africa Company) reported earnings in 1967 amounting to £505,000. These earnings were

derived from the sale of 10,840 short tons of lead/vanadate, 9,980 short tons of zinc/lead sulphide, 21,750 short tons of zinc silicate and 707 short tons of tin/wolfram taken from mines at Berg Aukas and Brandberg West. The Klein Aub Copper Company (owned by the Federale Mynbou-General Mining Group, Federale Volksbeleggings Bpk., and Marine Products Ltd.) reported a total profit of R2 million during 1967-1968 from an average production of 800 tons of copper concentrates per month. The Uis Tin mine (which is owned by the Iron and Steel Corporation of South Africa) reportedly produced an average of 72,000 tons of tin per month but separate data on the corporation's earnings from the mine are not available.

96. During 1967 there was a general effort, in which the "Administration" co-operated with private industry, to increase the production of base minerals and to discover new sources of ore, partly in order to reduce the dependence of the Territory's economy on the limited reserves of diamonds. Among the measures taken, the South West Africa Company undertook major extensions at its Berg Aukas mine, including the construction of a Waelz kiln as part of an agreement for the supply of zinc to the Zinc Corporation of South Africa (ZINCOR). To finance these operations, costing some R5 million, a new company, Kiln Products, was formed to buy zinc-bearing materials from the South West Africa Company and, after processing, sell the zinc to ZINCOR, which itself has a fifteen-year contract to supply the entire zinc requirements of the Iron and Steel Corporation of South Africa (ISCOR). ISCOR itself, through a subsidiary company, IMCOR Zinc, also advanced plans to develop its own zinc mine at Rosh Pinah, in the southern part of the Territory, which would be its primary source of the raw material. Both zinc operations are expected to become functional in 1969.

97. An even more important development during 1968 was the granting of a prospecting concession, extending from Klein Aub, in the Rehoboth District, to the Botswana border, to a consortium composed of Klein Aub Copper Co., Ltd., and its three parent companies. Under the terms of the concession agreement, which covers a five-year period, the consortium will pay the "Administration" an annual rental of R50,000 and spend a minimum of R1 million on prospecting. During 1968, it was reported that the Tsumis Series, a geological formation running through this concession and believed to have some of the largest copper deposits in the world, was the main area of exploration activity in the Territory. Of a total of 120 geologists reported to be engaged in mineral exploration in Namibia, the greater number were working in the Tsumis Series, where they were prospecting not only for copper but also for vanadium, tin, lithium and diamonds.

98. In December 1968 it was reported in the Press that the Bethlehem Steel Corporation of the United States was investigating the possibility of undertaking large-scale mining of fluorspar deposits in the north of Namibia. It will be recalled that the corporation was engaged some years ago in prospecting for iron ore, but the project was found to be uneconomic and was abandoned.

99. Petroleum. As explained previously (A/7200/Add.2, chap. VII, annex, para. 93), Namibia is currently the scene of an organized and intensive search for petroleum sponsored by the territorial "Administration". In December 1967, the "Administration" entered into an agreement with the Southern Oil Exploration Corporation (Pty.) Ltd., of South Africa (SOEKOR) whereby it undertook to cede to the corporation the right to prospect for petroleum in all areas of Namibia not

already covered by existing concessions k/ on the understanding that SOEKOR would act as an agent of the "Administration" and would sublet prospecting rights to approved commercial exploration companies.

100. In accordance with the agreement, SOEKOR established a subsidiary, Soekor (SWA) Ltd. (SWAKOR), registered in Windhoek, to which the prospecting rights were duly ceded. On 25 April 1968, the latter announced that it was prepared to accept applications from competent exploration companies for eight concession areas, covering almost 90,000 square miles. Of these, six concession blocks were off-shore extending from the Kunene River on the Angola border, south to Lüderitz Bay, and out to sea to the 200-metre depth contour. The two land-based blocks, covering approximately 60,000 square miles, were in the south-east of the Territory: Area 1, covering 31,020 square miles and comprising the Mariental District, the eastern part of the Maltahohe District and a portion of the south of the Gobabis District; and Area 2, immediately south of Area 1 and covering 29,430 square miles, including the entire Keetmanshoop District and most of the Bethanie District.

101. At the end of September 1968, SWAKOR announced that the eight concession areas had been granted to the following international companies and that negotiations for concluding the contracts would commence immediately:

On-shore - (a) Shell and British Petroleum - Area 1;

(b) De Beers Consolidated Mines and Société Nationale de Pétrole d'Aquitaine - Area 2;

Off-shore - (a) Gulf Oil - 5,305 square-mile block off-shore from the northern Kaokoveld coast of Namibia and 4,205 square-mile off-shore block extending from Swakopmund to south of Sandwich Harbour;

(b) Shell and British Petroleum - 4,180 square-mile block and 5,135 square-mile block between the two concessions granted to Gulf Oil;

(c) Chevron Oil (a subsidiary of Standard Oil Co. of California) 7,135 square-mile block south of Sandwich Harbour;

(d) H.M. Mining, Syracuse Oils and Woodford Oil and Gas - 804 square-mile block extending south from Chevron Oil concession to Lüderitz.

102. By the terms of the agreements between SWAKOR and the concession holders, the awards will endure, at the option of the companies, for seventeen years. In the first three years, sums of R50,000, R200,000 and R250,000 respectively must be spent on geophysical work. The first well must be drilled after three years

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k/ Prior to 1961 many large concessions were granted that did not specifically exclude petroleum. These concessions, which include those held by Consolidated Diamond Mines and Marine Diamond Corporation, are thus barred to SOEKOR. Since 1963, however, the right to exploit petroleum and natural gas has been specifically excluded from concessions granted in respect of other minerals.

but before five years have expired, and subsequent wells must be drilled at specific intervals. The contract further requires that the oil companies relinquish to SWAKOR one quarter of their concession areas after thirty-six months, a second quarter after seven years, and a third quarter after twelve years, provided that no oil has been discovered. If a discovery is made before ten years, however, only 50 per cent of the prospecting area need be surrendered, and if oil is found at any time during the lease, SWAKOR is entitled to become a partner of the prospecting company. The first discoverer of oil and/or natural gas will receive a 50 per cent tax reduction on net profits (which ranges from 38 per cent to 50 per cent). Other provisions of the contract guarantee duty-free import of necessary equipment and favourable exchange facilities for the repatriation of capital.

103. On 9 December 1968, the "Administrator of South West Africa" officially signed the concession agreements between SWAKOR and the Chevron Oil Company, which planned to begin off-shore prospecting early in 1969. The remaining concession agreements were expected to be signed early in 1969.

104. Prior to the granting of the above concessions, the only company still actively engaged in petroleum prospecting in Namibia was the Etosha Petroleum Company, a wholly owned subsidiary of the Brilund Mines of Canada, which holds a concession covering 116,000 square miles and including the whole of the Territory north of the twentieth parallel. In November 1968, the company announced that it intended to begin drilling operations in a selected area of the western section of the Etosha Pan National Park where geochemical and seismic surveys had indicated the possibility of oil. Final negotiations to acquire drilling equipment were being completed and it was planned to start drilling about April 1969, when the rainy season had ended. Drilling was expected to reach a depth of 15,000 feet where the surveys had indicated the presence of oil. Geochemical surveys completed in three nearby areas has also produced promising results and the company announced that it was about to begin three additional surveys in Ovamboland. Since 1966, the company has spent almost R150,000 per month on exploration and its expenditure was expected to increase sharply once drilling operations had begun.

### Fishing

105. In 1967, the fishing industry earned a total of R45.4 million (compared with R49.6 million in 1966), of which pilchard fishing accounted for R40.2 million, rock lobsters for R3.9 million, the whitefish catch for R817,000 and sealing, including pelts and oil, for R570,000. The pilchard sector of the industry, concentrated mainly at Walvis Bay, was comprised of eight plants, each with a quota of 90,000 tons, imposed by the "Administration" in accordance with its assessment of available resources. During the year, the combined output of these factories amounted to 189,386 tons of fish meal (R18 million), 81,000 tons of canned fish (R17.8 million), 6,500 tons of frozen fish (R550,000) and 37,684 tons of fish oil (R3.8 million). Five pilchard licensees had additional quotas of 9,600 tons each for which they paid the "Administration" a special levy of R5 per ton to be used for the promotion of fisheries research.

106. Beginning in 1967 the territorial "Administration" initiated efforts, in conjunction with private companies, both to extend the fishing industry northwards

and to further develop the fishing of whitefish, which had previously been neglected because of its substantially lesser profitability. In December 1967, it granted to the Sarusas Development Corporation, as part of an agreement requiring the corporation to construct a fishing harbour, airfield and other public works at Angria Fria on the Skeleton Coast in the Kaokoveld northern Native reserve, two licences, one to produce 90,000 tons of pilchards and the other for 90,000 tons of marshbanks (whitefish). It also granted a second licence to produce 90,000 tons of pilchards, to a consortium of seven companies, Consortium Visserye (Pty.) Ltd., which had been previously licensed to exploit whitefish, on the condition that the pilchard licence would be withdrawn unless whitefish activities were appropriately developed. The consortium was further required to erect two new factories, one at Lüderitz and the other at Walvis Bay. The former will be completed by April 1969 at a cost of R750,000.

107. An important development in 1968 was the settlement of a long-standing dispute between the Territory and South Africa concerning the activities of South African factory ships operating off the coast of Namibia. An agreement of 28 June 1968 between the territorial "Administration" and the Government of South Africa provided that two South African ships already operating off Namibia would be allowed to continue their activities but that a licence which the South African authorities had granted for a third factory ship would be frozen and no further licence would be issued. It was reported that during 1968 the two factory ships operating off Namibia processed about 900,000 tons of fish.

#### Agriculture

108. It will be recalled that karakul farming is the most important agricultural activity in the Territory, followed by cattle ranching. Both are primarily European activities earning together about R40 million yearly.

109. During 1967, a total of 2,896,498 karakul pelts, valued at R14.5 million, were exported from Namibia, a decrease of approximately 100,000 pelts compared with the number exported in 1966, which was attributed to unfavourable market conditions. During the same year, cattle exports, almost entirely to South Africa, amounted to 236,900 head, an increase of nearly 62,000 over the previous year. Small stock exports increased by 73,000 to 162,700 head, an increase of over 40 per cent. It is estimated that, of the total cattle population of Namibia, about 2 million are owned by white farmers and about 600,000 are owned by Africans in the northern Native reserves, principally Ovamboland. During 1967 the value of cattle slaughtered for home consumption and export was slightly in excess of R19 million.

110. As previously stated (A/7200/Add.2, chap. VII, annex, para. 90), the local meat packing industry has been encountering difficulties owing, among other things, to reduced prices for meat extract and rising costs of production. As a result two of the three meat packing factories in the Territory were forced to cease operations in 1967.

111. In 1968, Damara Meat Packers, the remaining cannery, was purchased by Vliessentral, a very large concern in the Republic of South Africa. The purchase was made with the aid of a loan from the South West Africa Meat

Producers' Association, which was granted on the condition that prices paid to farmers for their beef in Windhoek would be no lower than those obtaining in the Republic. Vliessentral also undertook to export frozen prepared meat and offal to South Africa and overseas, and to supply fresh meat to local markets. It undertook, moreover, to continue operations during periods of drought and disease, even if the factory should run at a loss. In January 1969, the board of directors of Vliessentral was expanded to include representatives of the meat producers in the Territory.

#### Power and water

112. According to an article published in the South African Financial Gazette, the territorial "Administration" has, in recent years, devoted considerable attention to the development of water supplies and its efforts have met with considerable success. The most important development was the recent discovery of large quantities of underground water beneath the bed of the Kuiseb River in the Namib desert, equivalent, according to the article, to two-thirds of the capacity of the Vaal Dam in South Africa.

113. Over the past four years the sums allocated by the "Administration" to capital expenditure on the development of water supplies has increased ten-fold and during 1968 amounted to more than R9 million. Among the projects under construction were a dam on the Swakop River which was begun in 1968 and is expected to be completed by 1971 at a cost of more than R8 million, another similar project in the Keetmanshoop area to be completed within four years and an extensive irrigation project for Ovamboland, which has not yet begun.

114. The largest single water development project concerning Namibia is the Kunene River scheme which will provide irrigation and power in both Angola and Namibia. After five years of negotiations an agreement for the joint undertaking was signed on 21 January 1969 by the Portuguese Foreign Minister and the South African Ambassador, covering the first stage of the work at an estimated cost of \$US87.5 million to be provided by the two Governments on an equal basis. Under the agreement, a \$US14 million dam will be built at Gove near Nova Lisboa, which will create the largest artificial lake in Angola, holding 2,600 million cubic metres of water. Altogether, the Kunene River scheme will convert approximately 500,000 hectares of arid land in southern Angola and Namibia into arable farmland and will affect some 500,000 people.

#### 4. SOCIAL CONDITIONS

##### Labour

115. Early in 1968 it was reported that out of a total of 65,998 non-white male labourers in the Police Zone, approximately half were recruited from the northern Native reserves, particularly Ovamboland. It will be recalled that, according to the labour practices in Namibia, Africans from the northern reserves are recruited on contracts for periods of twelve to thirty months by the "South West Africa Native Labour Association" (SWANLA) which supplies labour for work on mines and farms, in the fishing industry, in the territorial "Administration" and to private employers for domestic service. These workers are not allowed to bring their families and upon the expiration of their contracts, they are obliged to return to the northern reserves. A basic feature of the contract system is the lack of provision for technical or vocational training or of the continuity of employment which might enable them to qualify for skilled work. In fact, most skilled employment is barred to Africans and, in 1968, only 21,230 Africans were engaged in semi-skilled work, over half of them in domestic service.

116. During the past year there has been some evidence of discontent among workers from Ovamboland. In mid-1968 there occurred a strike of long duration involving about 1,000 Ovambos employed by four fish processing factories in Walvis Bay in support of demands that they be given additional pay for night work. The strike began in mid-June and later extended to include Ovambo stevedores in Walvis Bay harbour. The stevedores finally returned to work after an agreement had been concluded giving them a bonus for night work, and the strikers at the fish factories were returned to Ovamboland.

117. Later, in January 1969, sixty-four Ovambo contract labourers appeared before a magistrate's court at Windhoek on various charges of assault and disturbing the peace, following an incident at the town's railway goods yard. The defendants were alleged to have been members of a large group which was said to have attacked police when the latter were arresting an Ovambo labourer charged with theft.

##### Public health

118. On 6 December 1968, it was announced that the "Administration" would spend a total of about R60 million during the next ten years on the development of hospital facilities and health services in the Territory. Of the total, R15 million would be used for the improvement of the new European State Hospital complex at Windhoek. Other projects would include the construction of new non-white and coloured hospitals at Windhoek, new hospitals for whites, non-whites and Coloureds at Keetmanshoop, new white and non-white hospitals at Lüderitz, a clinic at Swakopmund and non-white hospitals at Walvis Bay and Otjiwarongo.

119. The capacity of the European State Hospital at Windhoek would be increased to 600 beds with the building of the main hospital block, to be completed by the beginning of 1975. This block would be further extended to a capacity of

1,100 beds in the future. In addition, two residences for 300 nurses would be built at a cost of R1.5 million.

120. Noting the existence of a critical shortage of European and non-European nurses in the Territory, Dr. J.H. Oosthuizen, Director of Health Services, said that Namibia could no longer look to South Africa and other countries for trained nursing staff as they were also suffering from tremendous shortages. He added that in order fully to staff these new hospitals referred to above, the Territory's women would have to be trained.

121. It will be recalled (A/7200/Add.2, chap. VII, annex, para. 95) that the first three and a half years' course for African and Coloured general nurses was initiated in the Territory in September 1967. The programme, offered at the non-white State Hospital in Windhoek, had an initial enrolment of seventeen students and was expected eventually to accommodate 100 students.

122. On 21 February 1969, it was reported that during the year construction would probably begin on the new non-white hospital complex at Katutura in Windhoek. It was estimated that the nurses' residences, which were now under construction, would cost about R1.1 million and the main hospital block (with 600 beds) R8 million. If necessary, the ward capacity could be increased by another 500 beds.

123. In its report to the General Assembly at its resumed twenty-second session (A/7088), 1/ the United Nations Council for Namibia drew attention to the insufficiency of medical services for non-whites, particularly in the rural areas. In 1967, there were twenty-seven hospitals (with 1,035 beds) for whites, who represent approximately 14 per cent of the population, and forty others (with 4,734 beds) for the indigenous and Coloured population groups. Out of 114 general medical practitioners (and sixteen specialists), only ten were resident in Ovamboland, three in Okavango and one in the Eastern Caprivi Strip, making a total of fourteen medical practitioners for the whole of the northern Native reserves, which in 1960 contained 54.5 per cent of the population. The territorial "Administration" admitted that this figure was inadequate but said that it was extremely difficult to recruit medical practitioners for the northern sector. It may be noted that, according to information supplied to the Council in 1968, there was only one qualified African doctor in Namibia.

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10/ Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 64 (A/7088).



CHAPTER VIII  
TERRITORIES UNDER PORTUGUESE ADMINISTRATION

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## A. CONSIDERATION BY THE SPECIAL COMMITTEE

1. The Special Committee considered the question of the Territories under Portuguese administration at its 672nd to 674th, 679th, 680th, 683rd, 684th and 690th to 693rd meetings, between 6 and 23 May, and 695th to 697th and 700th to 702nd meetings, between 5 June and 1 July 1969.
2. In its consideration of this item, the Special Committee took into account the relevant provisions of General Assembly resolution 2465 (XXIII) of 20 December 1968 on the question of the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples. By that resolution, the Special Committee was requested by the General Assembly, in paragraph 11, "to continue to perform its task and to seek suitable means for the immediate and full implementation of the Declaration in all Territories which have not yet attained independence" and, in paragraph 13, "to continue to examine the compliance of Member States with the Declaration and with other relevant resolutions on the question of decolonization, particularly those relating to Territories under Portuguese administration... and to report thereon to the General Assembly at its twenty-fourth session". The Committee also took into account the provisions of resolution 2395 (XXIII) of 29 November 1968, concerning the question of Territories under Portuguese administration, by paragraph 16 of which the Assembly requested the Special Committee "to continue to keep the situation in the Territories under review".
3. During its consideration of the item, the Special Committee had before it working papers prepared by the Secretariat (see annex I below) containing information on action previously taken by the Special Committee and by the General Assembly as well as on the latest developments concerning the Territories. The Committee also had before it a note by the Secretariat concerning assistance to refugees from Territories under Portuguese administration (see annex II below).
4. In addition, the Special Committee had before it the following written petitions concerning the Territories under Portuguese administration:

### Angola

(a) Letter dated 10 December 1968 from Mr. G. Kiala, General Secretary; and letter dated 5 May 1969 from Mr. E. Tulengana, General Chairman, Cartel dos Nacionalistas Angolanos (CNA), containing a request for hearing (A/AC.109/PET.1079 and Add.1);

(b) Letter dated 31 December 1968 from Mr. Lukoki Lunzinga, on behalf of the NTO-BAKO Angola Party (A/AC.109/PET.1080);

(c) Letter dated 5 May 1969 from Mr. Holden Roberto, President, Gouvernement révolutionnaire de l'Angola en exil (GRAE), containing a request for a hearing (A/AC.109/PET.1086);

(d) Cable dated 6 May 1969 from Mr. Luis Ranque Franque, President, Front pour la libération de l'enclave de Cabinda (FLEC) (A/AC.109/PET.1087);

(e) Letter dated 9 May 1969 from Mr. Agostinho Neto, President, Movimento Popular de Libertação de Angola (MPLA), containing a request for a hearing (A/AC.109/PET.1088);

(f) Letter dated 7 May 1969 from Mr. Joseph Ngangudila, General Secretary, Confederação Geral dos Trabalhadores de Angola (CGTA) (A/AC.109/PET.1090);

(g) Letter dated 14 May 1969 from Mr. David Samwimbila, Secretary for Security, União Nacional para a Independência Total de Angola (UNITA), containing a request for a hearing (A/AC.109/PET.1096);

(h) Letter dated 7 May 1969 from Mr. Pedro Barreiro Lulendo, Acting General Secretary, Liga Geral dos Trabalhadores de Angola (LGTA) (A/AC.109/PET.1104);

(i) Letter dated 7 May 1969 from Mr. Carlos Pinto Nunes Vunzi, General Chairman, União Progressista Nacional de Angola (UPRONA) (A/AC.109/PET.1105);

(j) Letter dated 10 May 1969 from Mr. Emmanuel Norman Lamvu, Chairman, Comité des Bons Offices Angolais (CBOA) (A/AC.109/PET.1106);

#### Mozambique

(k) Letter dated 12 November 1968 from Mr. Anders Johansson, foreign correspondent of Dagens Nyheter, Stockholm (A/AC.109/PET.1081);

(l) Letter dated 9 May 1969 from Mr. Absolom Bahule, Secretary General, Comité Revolucionário de Moçambique (COREMO), containing a request for a hearing (A/AC.109/PET.1095);

(m) Letter dated 17 May 1969 from Mr. Marcelino dos Santos, Secretary for Foreign Affairs and Member of the Presidential Council, Frente de Libertação de Moçambique (FRELIMO), containing a request for a hearing (A/AC.109/PET.1097);

#### Guinea, called Portuguese Guinea

(n) Letter dated 16 February 1969 from Mr. A.B. Nank, containing a request for a hearing (A/AC.109/PET.1046);

#### The Territories in general

(o) Cables dated 3 March and 19 May 1969 from Mr. Amilcar Cabral, Chairman of the Executive Committee, Conferência das Organizações Nacionalistas das Colónias Portuguesas (CONCP) (A/AC.109/PET.1082 and Add.1);

(p) Letter dated 17 March 1969 from Mr. Tim Smith, Field Aide for African Affairs, Council for Christian Social Action, United Church of Christ (A/AC.109/PET.1083);

(q) Letter dated 28 October 1968 from Mr. Jyoti Shankar Singh, Secretary General, World Assembly of Youth (WAY) (A/AC.109/PET.1084);

(r) Letter dated 2 December 1968 from Mr. Lucjan Wolniewicz, Secretary General, Polish Committee for Solidarity with the Peoples of Asia and Africa (A/AC.109/PET.1085);

(s) Letter dated 23 May 1969 from Mr. J.J. Hadebe, Current Chairman, Union of Non-Independent African States (UNIAS) (A/AC.109/PET.1107).

5. At its 670th, 672nd, 677th, 680th, 682nd and 689th meetings, between 28 April and 20 May, the Special Committee, by adopting the 137th, 138th and 140th to 143rd reports, respectively, of the Sub-Committee on Petitions, 1/ decided to grant the requests for hearing contained in the petitions referred to in paragraph 4 (a), (c), (e), (g), (l), (m) and (n) above. At its 674th meeting, on 7 May, the Special Committee, by approving the 139th report of the Sub-Committee on Petitions (A/AC.109/L.561), also granted a request for hearing to the Parti Démocrate Nto-Bako Angola.

6. Mr. Holden Roberto, President, Gouvernement révolutionnaire de l'Angola en exil (GRAE), made a statement at the 672nd meeting, on 6 May, and replied to questions put to him by the representatives of Afghanistan, Ethiopia, India, Iran, the Ivory Coast, Madagascar, Mali, Sierra Leone, Syria, the United Republic of Tanzania, Venezuela and Yugoslavia (A/AC.109/SR.672).

7. Mr. Emmanuel Tulengana, General President of the Cartel dos Nacionalistas Angolanos (CNA), made a statement at the 673rd meeting and, together with Mr. G. Kiala, Vice-President of the same organization, replied to questions put to them by the representatives of Ecuador, Honduras, Mali, Syria and Venezuela (A/AC.109/SR.673).

8. Mr. Antoine Kiaku, Secretary General, and Mr. François Kuta, Political Director, Parti Démocrate Nto-Bako Angola, made a statement at the 674th meeting and answered questions put to him by the representatives of Afghanistan, India, Madagascar, Mali and the United Republic of Tanzania (A/AC.109/SR.674).

9. Mr. Carlos Rocha, member of the Steering Committee, Movimento Popular de Libertação de Angola (MPLA), made a statement at the 679th meeting and replied to questions put to him by the representatives of Afghanistan, India, Iran, Madagascar and Yugoslavia at the same meeting (A/AC.109/SR.679), and by the representatives of Bulgaria, Honduras, Iraq, the Ivory Coast, Poland, Syria and the Union of Soviet Socialist Republics, at the 680th meeting (A/AC.109/SR.680).

10. Mr. Paul J. Gumane, President, Comité Revolucionário de Moçambique (COREMO), made a statement at the 683rd meeting and replied to questions put to him by the representatives of Afghanistan, Ecuador, India, Syria and Venezuela (A/AC.109/SR.683).

11. Mr. David Samwimbila, Secretary for Security, União Nacional para a Independência Total de Angola (UNITA), made a statement at the 683rd meeting (A/AC.109/SR.683) and, at the 684th meeting, replied to questions put to him by the representatives of Mali, Syria and Venezuela (A/AC.109/SR.684).

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1/ A/AC.109/L.554, 560, 562-565.

12. Mr. Uria T. Simango, Member of the Central Committee and the Presidential Council, Frente de Libertação de Moçambique (FRELIMO), made a statement at the 690th meeting (A/AC.109/SR.690 and Corr.1) and, together with Mr. Joaquim Chissano, Member of the Central Committee, and Mr. Marcelino dos Santos, Secretary for Foreign Affairs and member of the Presidential Council of the same organization, answered questions put to them by the representatives of Bulgaria, Madagascar, Poland, Yugoslavia and the Union of Soviet Socialist Republics, at the 691st meeting (A/AC.109/SR.691), and by the representatives of Afghanistan, Honduras, Iran, Tunisia and the United Republic of Tanzania, at the 692nd meeting (A/AC.109/SR.692).

13. In the general debate on the item, statements were made by the representatives of Afghanistan, Bulgaria, Ethiopia, India, Iran, Poland, Syria, Yugoslavia and the Union of Soviet Socialist Republics (A/AC.109/SR.693).

14. At the 700th meeting, on 19 June, the representatives of Iraq and Syria introduced a draft resolution which was finally sponsored by Afghanistan, Ethiopia, India, Iraq, Madagascar, Mali, Sierra Leone, Syria, Tunisia, the United Republic of Tanzania and Yugoslavia (A/AC.109/L.571 and Add.1).

15. The Special Committee considered the draft resolution at its 701st meeting, on 24 June. A statement on the draft resolution was made by the representative of the Union of Soviet Socialist Republics (A/AC.109/PV.701).

16. At the same meeting, the Special Committee adopted the draft resolution by a roll-call vote of 16 to 2, with 3 abstentions. The result of the voting was as follows:

In favour: Afghanistan, Bulgaria, Ethiopia, Honduras, India, Iran, Iraq, Madagascar, Mali, Poland, Syria, Tunisia, Union of Soviet Socialist Republics, United Republic of Tanzania, Venezuela, Yugoslavia.

Against: United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Italy, Ivory Coast, Norway.

The text of the resolution (A/AC.109/331) is reproduced in section B below.

17. At the same meeting, statements in explanation of vote were made by the representatives of the Ivory Coast, the United Kingdom and the United States (A/AC.109/PV.701). At the 702nd meeting, the representative of Sierra Leone explained that for reasons beyond its control his delegation had been absent when the Special Committee had voted on the draft resolution and that, had it been present, his delegation would have voted in support of the draft resolution (A/AC.109/PV.702).

18. On 24 June, the text of the resolution was transmitted to the President of the Security Council (S/9279). Copies of the resolution were also transmitted to States, including the administering Power, for the attention of their Governments, the specialized agencies, the Organization of African Unity (OAU) and the United Nations High Commissioner for Refugees.

B. DECISION OF THE SPECIAL COMMITTEE

19. At its 701st meeting on 24 June 1969, the Special Committee adopted the following resolution (A/AC.109/331):

The Special Committee,

Having examined the question of Territories under Portuguese domination,

Having heard the statements of the representatives of the national liberation movements,

Recalling General Assembly resolution 1514 (XV) of 14 December 1960 containing the Declaration on the Granting of Independence to Colonial Countries and Peoples,

Recalling all the relevant resolutions concerning the Territories under Portuguese domination adopted by the General Assembly and the Security Council,

Deeply disturbed by the persistent refusal of the Government of Portugal to implement the relevant United Nations resolutions,

Gravely concerned about the critical and explosive situation which is threatening international peace and security owing to the intensified suppressive activities and military operations by the Government of Portugal against the African peoples of the Territories under its domination, and its aggressive acts against the independent African States bordering the Territories under its domination,

Deeply disturbed about the intensified activities of the foreign economic, financial and other interests which impede the realization of the legitimate aspirations of the African peoples in those Territories to self-determination and independence,

Noting further with profound concern that Portugal continues to receive aid in the form of military training, equipment, weapons and logistic and other assistance from certain States, and in particular from its military allies, which enables it to pursue its military operations against the population of those Territories,

Noting with satisfaction the progress towards national independence and freedom made by the national liberation movements in those Territories both through their struggle and through reconstruction programmes,

Taking note of the invitations extended to the Special Committee by certain liberation movements to visit the liberated areas of those Territories,

1. Reaffirms the inalienable right of the peoples of the Territories under Portuguese domination to self-determination, freedom and independence, in accordance with General Assembly resolution 1514 (XV), and the legitimacy of their struggle to achieve that right;

2. Condemns the persistent refusal of the Government of Portugal to implement General Assembly resolution 1514 (XV) and all other relevant resolutions of the General Assembly, the Security Council and the Special Committee, as well as the colonial war being waged by that Government against the peoples of the Territories under its domination, which constitutes a crime against humanity and a grave threat to international peace and security;

3. Condemns the intensified activities of those economic and other interests operating in the Territories under Portuguese domination, which, by their exploitation of the human and material resources of the Territories, strengthen Portugal's domination over those Territories and impede the progress of their peoples towards freedom and independence;

4. Condemns the rendering of military assistance in any form by any State to the Government of Portugal, either directly or indirectly;

5. Calls upon the Government of Portugal to apply without delay to the peoples of the Territories under its domination the principle of self-determination in accordance with General Assembly resolution 1514 (XV) and other relevant resolutions of the General Assembly and the Security Council and, in particular:

(a) To cease forthwith all repressive activities and military operations against the people of Angola, Mozambique and Guinea, called Portuguese Guinea, and to withdraw all military and other forces;

(b) To proclaim an unconditional political amnesty and to transfer all powers to freely elected institutions representative of the indigenous populations, in accordance with General Assembly resolution 1514 (XV);

6. Calls upon the Government of Portugal, in view of the armed conflict prevailing in the Territories, to apply the Geneva Convention relative to the Treatment of Prisoners of War of 12 August 1949, 2/

7. Calls upon all States, particularly the military allies of Portugal in the North Atlantic Treaty Organization, to take the following measures:

(a) To desist forthwith from giving the Government of Portugal any assistance, including the training of Portuguese military personnel within or outside the framework of the North Atlantic Treaty Organization, which encourages that Government to continue its repression of the African peoples in the Territories under its domination;

(b) To prevent any sale or supply of weapons, military equipment and materiel, including aircraft, helicopters and vehicles, to the Government of Portugal;

(c) To stop the sale or shipment to the Government of Portugal of equipment and materials for the manufacture or maintenance of weapons and ammunition;

(d) To put an end to the activities referred to in paragraph 3 above;

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2/ United Nations Treaty Series, vol. 75 (1950), No. 972.

8. Draws the urgent attention of the Security Council to the further deterioration of the situation in the Territories under Portuguese domination, which constitutes a serious threat to international peace and security, and to the serious consequences of the assistance provided by Portugal through those Territories to the illegal racist minority régime of Southern Rhodesia in defiance of the relevant resolutions of the General Assembly and of the Security Council;

9. Draws the attention of the Security Council to the urgent need for adopting the necessary measures to make mandatory the provisions of its resolutions concerning the question, particularly resolution 218 (1965) of 23 November 1965, and those of General Assembly resolutions 2107 (XX) of 21 December 1965, 2184 (XXI) of 12 December 1966 and 2270 (XXII) of 17 November 1967;

10. Urges all States to grant the peoples of the Territories under Portuguese domination the moral and material assistance necessary to continue their struggle for the restoration of their inalienable rights;

11. Reiterates its appeal to all the specialized agencies, in particular to the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF), to refrain from granting Portugal any financial, economic or technical assistance as long as the Government of Portugal fails to implement General Assembly resolution 1514 (XV);

12. Expresses its appreciation to the United Nations High Commissioner for Refugees, the specialized agencies concerned and other international relief organizations for the help they have given so far, and requests them, in co-operation with the host and other interested Governments, with the Organization of African Unity (OAU) and, through it, with the national liberation movements, to increase their assistance to the refugees from the Territories under Portuguese domination, especially in the provision of medical, educational and agricultural services and supplies;

13. Recalls the provisions of General Assembly resolutions 2395 (XXIII) of 29 November 1968 and 2431 (XXIII) of 18 December 1968 relating to the development and expansion of training programmes for inhabitants from the Territories under Portuguese administration, with due regard to the needs of these Territories for cadres of civil servants and technical and professional personnel to assume responsibilities for the public administration and the economic and social development of their own countries, and decides to undertake a study, in co-operation with the Secretary-General and the specialized agencies, to ascertain the possibility of granting further assistance to the liberation movements;

14. Decides to keep the situation in the Territories under review and to examine the extent of compliance by States with the relevant resolutions of the United Nations.

ANNEXES

WORKING PAPERS PREPARED BY THE SECRETARIAT



# ANNEX I\*

## GENERAL INFORMATION CONCERNING THE TERRITORIES

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\* Previously issued under the symbol A/AC.109/L.538 and Corr.1.

A. ACTION PREVIOUSLY TAKEN BY THE GENERAL ASSEMBLY,  
THE SECURITY COUNCIL AND THE SPECIAL COMMITTEE

1. Early in 1961, following the outbreak of disturbances in Angola, the General Assembly (at its resumed fifteenth session) and the Security Council became seized with the question of the situation in that Territory and a Sub-Committee was appointed to study and report thereon. a/ The question of the Territories under Portuguese administration and of the non-compliance of Portugal with Chapter XI of the Charter of the United Nations and with General Assembly resolution 1514 (XV) of 14 December 1960 have been discussed in the General Assembly since the sixteenth session and in the Security Council since 1963. The Special Committee's conclusions and recommendations concerning these questions have been set out in its reports to the General Assembly at the seventeenth to the twenty-second sessions. b/ The decisions of the Security Council and the General Assembly are contained in the relevant resolutions. c/

2. On 26 June 1968, the Special Committee, after hearing two petitioners, one from Angola and one from Guinea, called Portuguese Guinea, adopted a resolution on the question of Territories under Portuguese administration by a roll-call vote of 19 to none, with 4 abstentions.

3. By this resolution, the Special Committee reaffirmed the inalienable right of the peoples of the Territories under Portuguese domination to achieve freedom and independence, in accordance with General Assembly resolution 1514 (XV), and the legitimacy of their struggle to achieve this right. It again urged the Government of Portugal to apply without delay to the peoples of the Territories under its domination the principle of self-determination in accordance with resolution 1514 (XV) and other resolutions of the General Assembly and of the Security Council and, in particular: (a) to desist forthwith from all acts of repression, to withdraw all military and other forces which it is using for that purpose, and to proclaim an unconditional political amnesty; and (b) to recognize the right of the peoples under its domination to self-determination and independence, and to transfer authority to freely elected institutions representative of the indigenous populations in accordance with resolution 1514 (XV).

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a/ Official Records of the General Assembly, Sixteenth Session, Supplement No. 16 (A/4978).

b/ Ibid., Seventeenth Session, Annexes, addendum to agenda item 25 (A/5238), chap. VIII; *ibid.*, Eighteenth Session, Annexes, addendum to agenda item 23 (A/5446/Rev.1), chap. II; *ibid.*, Nineteenth Session, Annexes, Annex No. 8 (part I) (A/5800/Rev.1), chap. V; *ibid.*, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V; *ibid.*, Twenty-first Session, Annexes, addendum to agenda item 23 (A/6300/Rev.1), chap. V; *ibid.*, Twenty-Second Session, Annexes, addendum to agenda item 23 (part II) (A/6700/Rev.1), chap. V; A/7200/Add.3 and Corr.1.

c/ Security Council resolutions 163 (1961), 180 (1963), 183 (1963), 218 (1965) and 226 (1966); General Assembly resolutions 1603 (XV) of 20 April 1961; 1671 (XVI) of 18 December 1961; 1699 (XVI) of 19 December 1961; 1742 (XVI) of 30 January 1962; 1807 (XVII) of 14 December 1962; 1809 (XVII) of 14 December 1962; 1913 (XVIII) of 3 December 1963; 2107 (XX) of 21 December 1965; 2184 (XXI) of 12 December 1966; and 2270 (XXII) of 17 November 1967.

4. The Special Committee further drew the attention of the Security Council to the increased threat posed by the situation in the Territories under Portuguese domination as well as the consequences of the violations by Portugal of the territorial integrity and sovereignty of the neighbouring independent African States, and recommended that the Security Council take necessary measures to make mandatory the provisions of its resolutions. The Committee reiterated its previous requests to all States, to the specialized agencies and to the Secretary-General which aim at bringing to an end all military, financial, investment and other aid to Portugal from bilateral, multilateral and international sources while, on the other hand, securing the moral and material assistance to the peoples under Portuguese domination necessary for the restoration of their inalienable rights. It also requested the Secretary-General to continue to promote the widespread and continuous publicizing of the work of the United Nations concerning this question and in consultation with the specialized agencies and the host and other interested Governments, to develop and expand the existing programme of training indigenous inhabitants from the Territories under Portuguese administration, taking into account their need for cadres of civil servants and technical and professional personnel to assume responsibilities for the public administration and the economic and social development of their own countries.

5. On 23 September 1968, the Special Committee, having examined a petition (A/AC.109/PET.1017) concerning the use of napalm and white phosphorous, adopted a further resolution (see A/7200/Add.3, section II, B). In this resolution the Special Committee condemned the Government of Portugal for the use of these weapons and for its preparations for the use of chemical defoliants and poison gas in pursuance of its colonial war against the people of "Guinea (Bissau)", requested its Rapporteur "to take all appropriate measures to study and report on the use of weapons of mass destruction and all other aspects of the colonial war, particularly in Guinea (Bissau)". The Committee appealed to all States to do everything in their power to prevent the possible use of weapons of mass destruction and to bring about an end of the inhuman war, and requested its Chairman to transmit the resolution to the President of the Security Council and to the Chairman of the Commission on Human Rights.

6. In a resolution (2383 (XXIII)) adopted on 7 November 1968 on the question of Southern Rhodesia, the General Assembly, among other things, drew the attention of the Security Council to the urgent necessity of imposing sanctions on Portugal, the Government of which had blatantly refused to carry out the decisions of the Security Council (See A/7623/Add.1).

7. On 29 November 1968, the General Assembly, after having considered the Special Committee's report (A/7200/Add.3 and Corr.1), adopted resolution 2395 (XXIII). The operative part of this resolution is set out below:

"1. Reaffirms the inalienable right of the peoples of the Territories under Portuguese domination to self-determination, freedom and independence, in accordance with General Assembly resolution 1514 (XV), and the legitimacy of their struggle to achieve that right;

"2. Condemns the persistent refusal of the Government of Portugal to implement resolution 1514 (XV) and all other relevant resolutions of the General Assembly and of the Security Council;

"3. Calls upon the Government of Portugal to apply without delay to the peoples of the Territories under its domination the principle of self-determination, freedom and independence in accordance with the provisions and objectives of the Charter of the United Nations and of resolution 1514 (XV);

"4. Draws the attention of the Security Council to the grave situation in the Territories under Portuguese domination, which has also aggravated the explosive situation in southern Africa;

"5. Appeals to all States to grant the peoples of the Territories under Portuguese domination the moral and material assistance necessary for the restoration of their inalienable rights;

"6. Reiterates its appeal to all States, and in particular to members of the North Atlantic Treaty Organization, to withhold from Portugal any assistance which enables it to prosecute the colonial war in the Territories under its domination;

"7. Condemns the collaboration between Portugal, the minority racist régime of South Africa and the illegal racist minority régime in Southern Rhodesia, which is designed to perpetuate colonialism and oppression in southern Africa;

"8. Condemns the violations by the Government of Portugal of the territorial integrity and sovereignty of independent African States;

"9. Urgently appeals to all States to take all measures to prevent the recruitment or training in their territories of any persons as mercenaries for the colonial war being waged in the Territories under Portuguese domination and for violations of the territorial integrity and sovereignty of the independent African States;

"10. Deplores the policy of the Government of Portugal, which violates the economic and political rights of the indigenous population by the arbitrary eviction of the African population and the settlement of foreign immigrants in the Territories, and calls upon Portugal to cease those practices immediately;

"11. Deplores also the activities of the financial interests operating in the Territories under Portuguese domination, which obstruct the struggle of the peoples for self-determination, freedom and independence and which strengthen the military efforts of Portugal;

"12. Calls upon the Government of Portugal, in view of the armed conflict prevailing in the Territories and the inhuman treatment of prisoners, to ensure the application to that situation of the 'Geneva Convention relative to the Treatment of Prisoners of War of 12 August 1949';

"13. Expresses its appreciation to the Member States concerned, to the United Nations High Commissioner for Refugees and to the specialized agencies and other international relief organizations concerned for the help they have given so far and invites them to increase their assistance, including health and medical facilities, to the victims of Portuguese colonialism;

"14. Invites the Secretary-General, in the light of General Assembly resolution 2349 (XXII) of 19 December 1967 and in consultation with the specialized agencies, and the host Governments, to develop and expand programmes of training indigenous inhabitants from the Territories under Portuguese domination, taking into account their needs for cadres of civil servants, technical and professional personnel to assume responsibilities for the public administration and the economic and social development of their own countries;

"15. Requests the Secretary-General to take such action as he may deem appropriate for the implementation of the present resolution and to report thereon to the General Assembly at its twenty-fourth session;

"16. Requests the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to continue to keep the situation in the Territories under review."

## B. INFORMATION ON THE TERRITORIES

### Area and population

8. The Territories under Portuguese administration comprise the Cape Verde Archipelago; Guinea, called Portuguese Guinea; São Tomé and Príncipe and their dependencies; Angola, including the enclave of Cabinda; Mozambique; Macau and dependencies; and Timor and dependencies. These Territories cover an area of approximately 902,220 square miles (2,077,953 square kilometres) and have over 12 million inhabitants. The area of Portugal itself is 35,500 square miles (91,900 square kilometres), and at the latest estimate the population was 9,505,000.

9. The populations of the Territories at the 1960 census, together with the estimated population in 1965 and 1966, are given below:

	<u>Census</u>	<u>Estimates</u>	
	<u>1960</u>	<u>1965</u>	<u>1966</u>
Angola, including Cabinda	4,870,719	5,153,672	5,223,000
Mozambique	6,578,604	6,956,464	7,040,000
Guinea, called Portuguese Guinea	519,229	523,031	527,000
Cape Verde	199,661	224,199	231,000
São Tomé and Príncipe	64,406	64,068	62,000
Macau	169,299	280,356	...
Timor	517,079	550,694	...

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Sources: 1960-1965: Portugal. Anuário Estatístico, Vol. II, Ultramar; 1965-1966: Economist Intelligence Unit, Portugal and Overseas Provinces, Annual Supplement, 1968.

### General policy

10. In September 1963, Dr. Marcello Caetano was appointed Prime Minister to succeed Dr. Oliveira Salazar who had held the post for nearly forty years. This event has led to various press reports on the possibility of a change in Portugal's overseas policy with a view to bringing an end to the wars in Angola, Mozambique and Guinea, called Portuguese Guinea.

11. In his radio and television speech to Portugal and the Territories after he had been sworn in, Dr. Caetano declared there would be "constancy to the major outlines of Portuguese policy" though "the constitutional norms of the State will not prevent the Government, whenever timely, from carrying out necessary reforms". Speaking of the overseas Territories, Dr. Caetano said that "so long as the armed forces are fighting in Guinea, Angola and Mozambique and so long as Portuguese diplomatic policy is faced with so much misunderstanding in foreign chancelleries and international forums, we are not entitled to relax our vigilance on the home front".

12. Subsequently, in his maiden speech to the National Assembly on 27 November 1968, Dr. Caetano reaffirmed Portugal's overseas policy and denied that persistence in it had been "merely a result of personal obstinacy on the part of Dr. Salazar", asserting that, "In fact, it could not have been different". According to Dr. Caetano, Portugal is responsible for the security of all the populations [of the Territories] and everything they create and on which their lives depend; Portugal could not abandon them to the caprice of violence or to the manoeuvres of international politics; nor could it leave to an uncertain fate those values which, "under the Portuguese flag, have transformed barbarian lands into promising territories in the process of becoming civilized". The struggle imposed such a heavy burden on Portugal's budget that no one of good faith could claim that the maintenance of the Portuguese presence overseas was motivated by economic convenience or financial gain. Portugal had not declared war and was not at war with anyone. Portugal was defending not only one civilization, but civilization itself. "We defend", he said, "a steady and sure evolution through which the Territories are ripening towards full economic and cultural development in order to permit a progressive participation of the natives in the tasks of the administration and the government."

13. While the new Portuguese Government has not, so far, introduced any changes in its overseas policy, according to press reports it began a major reassessment of its war effort and tactics in October 1968. Both the National Defence Council and the Supreme National Military Council have been called into session for the first time since they were created in 1956 (Law No. 2084, 15 August). At its first meeting, the National Defence Council, comprising members of the Cabinet and high-ranking civil and military officials, discussed Portugal's military policy, the organization of national defence, the general programme of armaments, the organization of civil defence and international agreements of a military nature. The Governors-General of Angola and Mozambique and the Governor of Guinea, called Portuguese Guinea, were recalled to Lisbon in November to report; the Supreme National Military Council also heard the Commander-in-Chief of Angola, General Almeida Viana, the Military Commander of Mozambique, General Costa Gomes, and the Governor of Guinea, called Portuguese Guinea, General Spínola, on the war situation in their respective Territories.

14. Following the hearings, seven more battalions of Portuguese troops were sent immediately to strengthen the armed forces in Guinea, called Portuguese Guinea. In December 1968, the Minister of the Army visited Angola, reportedly because of the increased fighting in the east. In January 1969, General Kaulza de Arriaga was appointed commander of the military region of Mozambique to replace General Costa Gomes, as of mid-1969. In February 1969 the Minister of Defence, General Sá Viana Rebelo, visited all three Territories in Africa.

15. Parallel to the military reassessment, a study is being made by the Overseas Council d/ to widen the functions of the provincial secretaries in the overseas Territories. This study could be a first step in the direction of administrative decentralization and the granting of a greater degree of local autonomy. In January 1969 the Overseas Minister spent two weeks in Angola and will visit Mozambique later in the year.

16. From some press reports, there appears to be evidence of both an expectancy and a climate of change in Portugal as a result of Dr. Caetano's new style of government. He has, for example, expressed the wish "to witness the generation of a spirit of living together where reciprocal tolerance of ideas would break down hate and antagonisms". As regards the overseas Territories, while no immediate change is anticipated, especially in view of the priority given to the war effort, to some observers the signs of a willingness to change are the reassessment of Portugal's military and political strategy in the Territories and of its international relations, Dr. Caetano's announced intention to visit the Territories in 1969 and his declared undertaking to defend the evolution of the Territories towards a fuller participation of the indigenous population in government.

17. In the period since the new Government came into power, considerable press attention has been focused on what is referred to as its "new style". This has included the streamlining of government procedures, new appointments of many district governors in Portugal, a change in the leadership of the National Union, liberalizing of the press censorship and a more permissive attitude towards public assemblies and protest movements.

18. As one of its first measures, the new Government authorized the early release of the Socialist opposition leader, Mr. Mário Soares, who had been exiled to São Tomé in 1967; it has also permitted some overt criticism of the Government, including its overseas policy. Then, late in December 1968, the Socialist opposition, which heretofore had favoured "a political solution" to the problem of the overseas Territories, issued a manifesto calling for freedom of the Press, an amnesty for political prisoners and an electoral law that would permit the presentation of political programmes other than those in support of the Government. Although the Portuguese Press did not carry the text of the manifesto, according to the international Press the new head of the National Union, appointed by Dr. Caetano, has been in touch with the Socialists and has publicly declared that the Government intends "to allow the spread of truthful information to permit popular participation in the election to the National Assembly".

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d/ For a description of the functions and composition of the Overseas Council see A/5800/Rev.1, chap. V, paras. 25-28. According to Order (Portaria) No. 23,761, 7 December 1968, the Overseas Council's budget for 1969 is to be financed as follows (one escudo equals \$US.035):

	(escudos)
Surplus from 1967	350,874
Contribution from Angola	1,440,915
" " Mozambique	1,220,076
" " Macau	81,310
	<hr/> 3,093,175

19. On New Year's Day 1969, in Lisbon, a group of Roman Catholic priests openly held a meeting to protest the colonial wars. During the meeting, which lasted five hours, testimonies were read on the evils of the wars in Angola, Mozambique and Guinea, called Portuguese Guinea. In an unsigned manifesto, the group accused the Portuguese Church hierarchy of "political compromise with the State" in supporting the Government's overseas policy and thereby neglecting the Pope's recommendations for negotiation and arbitration to resolve conflicts. The manifesto declared that "the causes and the continuation of the colonial wars are a clear and persistent disrespect for the rights of man". In spite of press protests against the meeting, which some called subversive, the Government appears to have taken no action against the organizers of the meeting.

20. As the 1969 budget estimates show (see below), the cost of the war is imposing an increasing burden on the Portuguese economy. Consequently, with the gradual lifting of censorship, there have been some signs of a desire for peace. In mid-October 1968, an editorial in the Jornal Português de Economia e Finanças suggested that while the new Government was committed to a policy of defence of the overseas Territories, it would not be incompatible with this policy "to wish for a revision of the formulas setting out the guidelines of the political and military arrangements for the defence of the overseas Territories". It added that, the most urgent problem in the overseas Territories was the problem of peace, not because of financial and military burdens, but because "the military tension along the frontiers of the Territories can endanger the traditional goodwill and friendliness between Africans and Europeans, on which the future of the Nation depends".

21. Recently, for the first time also, an official statement touched on the possibility of peace in the overseas Territories. In his New Year's Day message to the troops the Minister of Defence, General Sá Viana Rebelo, said that the past year had been one of hard combat, and that the coming year would require no less effort, but in any case, the armed forces would do all they could to achieve similar or better final results "in order to identify, if possible, the first signs of peace, within the indispensable context of Portuguese victory". He went on to warn, however, that although peace and order actually prevailed in the nation, "those in command of the armed forces at all levels are on the alert and the qui vive, following coolly and dispassionately and keeping a watchful eye on certain propaganda and certain reckless activities that are developing there, and ready to guarantee the maintenance of law and order for the Nation and for those who are fighting in those distant areas for its constitutional and historical integrity".

22. According to reports there are several reasons why questions of peace and order in Portugal could affect the future of the overseas Territories in Africa. Analysing the situation, an article in an English language periodical has suggested that Angola and Mozambique could succeed as independent States if there were a "multi-racial solution" that was acceptable to the major liberation movements in those Territories. The important question was, however, whether the European settlers in Angola would declare independence. This would depend on the support they received from the Portuguese soldiers in Angola, particularly the senior officers. As these officers were known to be influenced by the attitude of the officers of the Portuguese Navy, who do not share the ambition of many army officers to settle in Angola, it was considered that if troops had to be recalled to quell uprisings in Portugal, secession would be facilitated and a compromise with the Africans would become more urgent for the settlers.

23. More recently the question of peace and order in Portugal has become an important issue in the forthcoming elections to the National Assembly. Although there were widely expressed hopes in the first few months of the new Government that there would be a change in the political atmosphere of the country, several recent speeches by the Minister of Interior, Mr. Gonçalves Rapazote, have all but dashed the earlier optimism. Early in January 1969, Mr. Rapazote said that the Government hoped for solidarity of the country at the next elections and did not want a struggle between parties which would devitalize and divide Portugal and the Territories. On a later occasion, referring to the request by the Opposition that the Government lift the ban on political parties, Mr. Rapazote said: "Our political structures do not admit the organization of parties, their programmes and their methods. Our basic laws do not admit their existence." He has also been quoted as saying openly that "the Administration cannot accept dialogue with demagogy".

24. Late in January the opposition group established an electoral commission comprising forty-four members to create "a clear civic conscience" among the population and to persuade them to take part in the elections to the National Assembly. Most of this group of forty-four are professors, students, writers, journalists and members of the liberal professions. They favour co-operation with the Government in order to bring about, for the first time in many years, a free and authentic choice at the forthcoming elections. Towards this end the group has called for a new electoral census, changes in the electoral law and freedom to organize political parties.

25. Since then, resistance to what has been called the "contestation" (see paragraph 27 below) by the Opposition has reached such proportions that one member, Mr. Cazal Ribeiro, declared in the National Assembly on 13 February 1969 that the electoral campaign had in fact begun. He challenged the view that all Portuguese could work together in the interest of the country. In his view there were many men of apparently good faith who were actually enemies of the régime and were ready to betray it.

26. On the same day, the Minister of Interior again took up the theme of social order when he warned against labour strikes, which he said "handbooks on guerrilla warfare taught as a primordial factor in a civil war". The authorities, he said, would intervene immediately "to prevent the manoeuvres of those persons who want to disturb the rhythm of work and jeopardize the national economy".

27. On the same day, in a speech delivered before the Academy of Sciences, entitled "The dimensions of the contemporary crisis", Mr. Franco Nogueira, the Minister for Foreign Affairs, also rejected "contestation" as an acceptable political activity and opposed the use of dialogue as a means of settling differences. He expressed the view that if a State is disposed to enter into discussion with those who challenge it by unlawful means, it (the State) abandons the position of absolute sovereignty and inherent superiority; it waives the use of one of its attributes: it places itself on the same level as those who challenge it and thereby assumes a position of weakness because dialogue must lead to the victory of the challengers or, if the State disagrees, then it is led to use increasing violence and provokes a progressively stronger reaction. Accordingly "contestation" is not revolutionary in the sense that it seeks by unlawful means and violence to topple one authority and replace it with another; "contestation" has as its objective the destruction of authority, and its ultimate objective is to make chaos a social doctrine. If the State is denied its

sovereignty, citizens will no longer be subject to civil restraint or law enforcement and when the State is denied the use of violence under the law, violence outside the law becomes legitimate.

28. There is no indication yet as to whether opposition parties will be allowed to participate in the forthcoming elections to the National Assembly in November and whether discussion will be permitted on Portugal's overseas policy. Apparently aware of the rising political dissensions, in his second television address on 11 February, Dr. Caetano stressed the Government's preoccupation with the defence and development of the overseas Territories in a search for "better solutions". Explaining that the country needed above all to improve production, to develop its human and natural resources and to increase the rate of economic growth, he pointed out that reforms were needed, not subversion, because the country could not risk a social upheaval. As reforms had to be studied and well formulated, which required time, it was a pity that the constructive work of the Government was often made difficult by the anxiety caused by alarming rumours or slanderous attacks, intrigue, the misrepresentation of intentions and acts, incomprehensible impatience and tumultuous protests, with the result that a great deal of time and energy was wasted. If the country could continue united and undisturbed by anarchistic "contestations" and could collaborate in common endeavours, and with constructive criticism based on carefully collected and logically presented facts, it could once again overcome its difficulties and follow a firm path for the good of Portugal and the Territories.

#### Constitutional and political

##### (a) Changes in the National Assembly electoral law

29. In December 1968, on the proposal of the new Government, the National Assembly approved an amendment to the electoral law governing elections to the National Assembly. e/

30. Under the present law (Law No. 2015, 28 May 1946), f/ the following are entitled to vote:

(a) Male Portuguese citizens who have attained majority or have been emancipated, and can read and write Portuguese;

(b) Male Portuguese citizens who have attained majority and have legal capacity, and who, although they cannot read or write, have contributed to the state and administrative bodies a sum of not less than 100 escudos in payment of any of the following taxes: property tax, industrial tax, professional tax or tax on the use of capital;

(c) Female Portuguese citizens who have attained majority or have been emancipated, provided that, as minimum qualifications, they have attended the following courses:

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e/ Text not yet available.

f/ See Official Records of the General Assembly, Seventeenth Session, Annexes, addendum to agenda item 54 (A/5160), para. 113.

- (i) General secondary school course;
- (ii) Elementary teaching course;
- (iii) Courses at art schools;
- (iv) Courses at the National Conservatory or the Oporto Conservatory of Music;
- (v) Courses at industrial or commercial institutions;

(d) Female Portuguese citizens who have attained their majority or have been emancipated and who, being heads of families, are covered by the general provisions of the electoral law.

31. As amended, the electoral law extends the right to vote to all men and women who have attained majority or who have been "emancipated", g/ and can read and write Portuguese. Thus, while extending the vote to women on the same basis as men, the amendment also removes the special conditions under which male citizens who could not read and write could nevertheless qualify for the vote.

32. The bill was approved by the National Assembly after a brief discussion during which it was modified so that illiterate persons who have already qualified to vote will be retained on the voters' registers.

33. All the overseas Territories are affected by this change as they are represented in the National Assembly by members elected under this law. Out of the total membership of 130, Angola and Mozambique each has seven representatives, Cape Verde and Guinea, called Portuguese Guinea, two each, and São Tomé and Príncipe, Macau and Timor, one each.

#### (b) Corporative Chamber

34. Under the Constitution the Corporative Chamber is a general advisory body composed of representatives of "local autonomous bodies and social interests", and it is consulted by the Government on proposals, draft bills and treaties that are to be submitted to the National Assembly for approval. Since 1963, the overseas Territories have also been represented in the Corporative Chamber through representatives of their local authorities and social interests in that body (see A/5800/Rev.1, chap. V, para. 22).

35. In October 1968 (Decree No. 48,618), a permanent section was established in the Corporative Chamber to enable it to speed up its work. With this change, the Corporative Chamber is required to give its observations within thirty days or within the period specified by the Government in cases of urgency. The permanent section is composed of the President and eight members nominated by him from among the members of the Standing Committee on Administrative Matters.

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g/ Under the Civil Code, a minor who is emancipado has the same rights regarding his person and his property as if he were of age.

(a) Provincial secretaries

36. In October 1968<sup>i</sup> the new Government under Prime Minister Dr. Caetano requested the Overseas Council to undertake a study of the functions of the provincial secretariats. The provincial secretariats were created under the Overseas Organic Law of 1963, as embryo ministries in Angola and Mozambique under the authority of the Governor-General (see A/5800/Rev.1, chap. V, para. 30). The provincial secretaries are appointed by the Overseas Minister. Currently there are six in each Territory in charge of groups of services as follows: political and civil administration; economic affairs; settlement and development; public works and transportation; health, labour and social welfare; and education.

37. With the growing complexity of government services in the two larger Territories, the centralization of authority in the Governor-General creates difficulties in administration. The Overseas Council has therefore been asked to make recommendations on the number, composition, structure and functions of the provincial secretariats, taking into account the conditions in the Territories.

38. In September 1968 (Decree No. 48,575 of 12 September) the Luanda and Lourenço Marques municipal councils were elevated to a special status with wider powers and a larger membership. Under the new law these two municipal councils are each to have a president and vice-president nominated by the Governor-General and ten members, i/ with the following groups each electing two members: (a) local and parish boards; (b) bodies representing cultural and religious interests; (c) corporative bodies representing employers and economic interests; (d) corporative bodies representing workers; (e) voters qualified to vote in the direct elections to the Legislative Council. j/ In addition to the other qualifications, candidates must have four years of primary education.

39. The Luanda and Lourenço Marques municipal councils are to have the responsibility for: (a) the administration of the council's property; (b) development; (c) public supplies; (d) culture, education and welfare; (e) public health; and (f) police. The councils will also have more financial authority, including the right to authorize works costing up to 5 million escudos and to guarantee loans under certain conditions. In addition, the president of the Council has exclusive responsibility for financial administration and the preparation of the budget and for the preparation of the annual plan of work.

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h/ For a description of the system of local administration in the Territories, see A/5800/Rev.1, chap. V, paras. 46-53.

i/ Previously these municipal councils had six members, with two elected by direct suffrage, two by corporative bodies and associations representing economic interests and two by representatives of cultural and religious interests.

j/ To vote in the direct elections to the Legislative Council the main qualification is the ability to read and write Portuguese; however, those who cannot read and write may qualify under special conditions (see A/5800/Rev.1, chap. V, para. 22).

(b) Elections to the district boards and municipal councils

40. During 1968 elections were held in Angola and Mozambique to the district boards which were first created in 1963, and to the municipal councils to which the last elections were held in December 1964. In Angola especially, where a number of new councils were created in 1966 (A/6300/Rev.1, chap. V, para. 94), these local bodies are growing in importance in providing the urban population, and more particularly the European population, with a channel for participation in local administration. Since the new elections, the meetings of the larger councils, for instance, those of Lobito and Benguela, have been reported in detail in the local Press.

41. As a result of the change in the composition of the Luanda and Lourenço Marques municipal councils, elections to those councils have been postponed to 1969.

Military activities and expenditure

(a) Portugal's war effort

42. In 1968 the wars in Angola, Mozambique and Guinea, called Portuguese Guinea, moved into a new phase. In Angola, guerrilla activities were intensified in the north by the Front National pour la Libération de l'Angola (FNLA) and in the east mainly by the Mouvement Populaire de Libération de l'Angola (MPLA) all along the eastern border. Towards the end of the year the Portuguese Government judged the situation to be so serious that the Minister of the Army made a special visit to the Territory. In Mozambique, the Frente da Libertação de Moçambique (FRELIMO) succeeded in opening up hostilities in the Tete District making it necessary for the Portuguese Army to transfer a number of troop units previously stationed in the Niassa District where the area of guerrilla activities appears to have remained stable. The situation in Guinea, called Portuguese Guinea, reportedly reached a critical point in 1968, resulting from the growing attacks of the Partido Africano da Independência da Guiné e Cabo Verde (PAIGC) on the towns and Portuguese military camps and the abandoning by the Portuguese troops of a number of military strong points. Towards the end of the year, 7,000 additional troops were sent to the Territory bringing the estimated total there to 37,000.

43. According to various reports, with the exception of the division attached to the North Atlantic Treaty Organization (NATO), Portugal's armed forces are now almost fully deployed overseas; out of a total estimated force of 180,000 men, between 125,000 and 150,000 are serving in the overseas Territories (some 55,000 in Angola, 40,000-60,000 in Mozambique and over 30,000 in Guinea, called Portuguese Guinea). The strain on Portugal's own economy and manpower is beginning to be felt. In the last few years particularly, an increasingly large number of Africans have been recruited into the armed forces. One report, for instance, estimates that there are about 19,000 African troops in Angola, and in Mozambique probably 10,000-12,000 African troops out of the total of 40,000-60,000. No figures are available for Guinea, called Portuguese Guinea, but the announcements of military honours include one African at least among every four to six

non-Africans, and official sources report that of the arms used in the Territory about half are in the hands of the indigenous population supporting the Portuguese troops. k/

44. The Portuguese Government has intensified measures to mobilize social and economic forces in support and as an integral part of its war effort. The reason for this trend was supplied recently by the Director of the Naval Institute of War in Lisbon, Admiral Rogério de Castro e Silva, when, explaining the concept of war, he said, "Today the possession of territory is unimportant it is the population that is important. Frontiers are no problem; what is of more interest is to know and exploit the internal tensions of the adversary - their opponents, their anxieties and their illusions. An armed clandestine organization becomes the first combat instrument.... Therefore the psychological factor becomes more effective.... Today the techniques of propaganda and the application of mass psychology can be put to use in the service of an aggressive ideology which weakens the power of the government of a state or which grips it by subversion.... In reality, war and peace are no longer situations well marked and antagonistic. The object of war remains the same but the means of waging war have changed."

45. The international Press reported towards the end of 1968 that Portuguese military casualties in the seven-year war were reaching the 2,000 mark without any sign of abating. These figures show that since 1965 annual Portuguese casualties in Angola have increased by 30 per cent and in Mozambique and Guinea, called Portuguese Guinea, they have doubled.

	<u>Angola</u>	<u>Mozambique</u>	<u>Guinea, called Portuguese Guinea</u>
1965	67	59	65
1966	84	120	154
1967	99	112	178
1968 (to 1 December)	<u>97</u>	<u>128</u>	<u>116</u>
Total	347 <sup>a/</sup>	419	511

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Source: Financial Times (London), 11 December 1968.

a/ In addition 1,000-1,500 Portuguese soldiers have died from non-combat causes since 1961.

46. The figures published in the Portuguese military bulletins, however, have been considerably lower. For Mozambique, for instance, official figures give 99 killed in 1967 and 73 killed in 1968. The national liberation movements, on the other hand, have reported much larger casualties inflicted on the Portuguese troops; one source, for instance, puts the total number of Portuguese troops killed in Africa at over 5,000 since the war began.

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k/ For further details on the military situation in Angola, Mozambique and Guinea called Portuguese Guinea, see Annexes II, III and IV below.

47. With no end of the war in sight, Portugal is trying to deal with the drain on its manpower and financial resources. The recent increases in pay to the overseas armed forces, the repeated advertisements in Angolan papers to recruit pilots, the plan to use non-military personnel for servicing military aircraft in Luanda, the growing numbers of African troops being incorporated into armed forces and the extensive use of what are called "forças militarizadas" to deal with the guerrillas are all indicative of the manpower strain imposed by the war effort.

48. Although the former Prime Minister, Dr. Salazar, once claimed that Portugal was prepared for a long-term war and could carry on indefinitely, it is clear that in the meantime the rising cost of the war has largely absorbed the revenues intended for the financing of the Development Plan. As shown below, in Angola, for instance, only one-third of the planned investments under the Transitional Development Plan were actually spent. Nevertheless, to date, most observers feel that the cost of the wars is not yet beyond Portugal's limited means and there have been suggestions that once Cabinda Gulf Oil and the Cassinga iron mine reach full production, the foreign exchange earned by these activities will mark the turning point for Portugal in its colonial wars.

49. In 1968 Portugal also stepped up non-military measures connected with the war effort in all three Territories. The most important of such measures were: removal of local population from guerrilla contact and the establishment of "protected villages", each with its own trained militia or guarded by troops or both; improving living conditions for the local population as a means of counteracting subversion; the expansion of the Polícia Internacional e de Defesa do Estado (PIDE) and the Public Security Police (PSP), including especially the Rural Guard in Angola; intensification of "anti-subversion" work among the local population; the revision of the tax system to provide the needed revenue for the war effort; and the inculcation of a sense of unity with Portugal through increased school facilities and especially the teaching of the Portuguese language.

50. In Angola where guerrilla activities already affect all but two of the fifteen districts, according to the Governor-General, "anti-subversion" has become one of the major problems. More than ever before the Government is mobilizing citizen groups, including schools as instruments of "anti-subversion".

51. Increased emphasis is being given especially to the teaching of the Portuguese language. During the year intensive courses were established to teach Portuguese to the African troops. The intention is to provide them with four years of primary education, which under the Portuguese system is the minimum required for clerical jobs in the civil service, and as noted above, to qualify for the vote in certain elections. As pointed out by Dr. Manuel Henriques Nazaré, a Mozambique deputy to the National Assembly, the problem is one of communication with the African population, the great majority of whom do not speak Portuguese. Stressing the importance of communication, and since schools cannot be built fast enough, Dr. Nazaré proposed that the literacy programmes could wait but an effort should be made first to teach the African population to speak and to understand Portuguese.

#### (b) Military expenditure

52. The Law of Ways and Means for 1969, which sets out the budgetary guidelines, gives absolute priority to the task of national defence, namely the safeguarding of the territorial integrity of Portugal and the Territories. According to the

Prime Minister, "all the military effort overseas has been and will go on being supported by resources coming from the ordinary income, which, before, was largely used to cover development expenses. Now we have to face many of these expenses with money obtained by loans". For the first time, the extracts of the 1969 budget published in the Portuguese newspapers showed the actual defence and security expenditures for the previous years together with the total revenue collected. Heretofore such information has usually appeared only in the published accounts (contas gerais) and has not been used in the budget estimates.

53. A study of these data shows that over 1965-1967 actual expenditures for "defence and security" have usually doubled the estimates in the extraordinary budget not only because departmental expenditures relating to defence are included in the ordinary budget, but also because additional allocations are made during the year (table 1). From this data it is also evident that in this period while "defence and security" has absorbed around 44 per cent of the total public expenditure, it has each year absorbed more than 50 per cent of the actual annual revenue (see table 2 below).

Table 1

"Defence and Security": comparison between extraordinary budget allocations and actual expenditures 1965-1967  
(million escudos)

	Extraordinary budget allocations	<u>Actual</u>	<u>Increase of actual expenditure over budget allocations</u>	
			<u>Amount</u>	<u>Per cent</u>
1965	3,527.0	7,705.3	4,178.3	118.0
1966	4,011.0	8,441.6	4,430.6	110.0
1967	5,347.0	10,223.4	4,876.4	91.0

Sources: Budget for the years 1965, 1966 and 1967, and Lei de Meios para 1969.

Table 2

Authorized government expenditures 1965-1967

(million escudos)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Public debt	1,818.4	2,038	2,560.9
Higher organs of the State	106.4	110.1	112.8
Defence and security	7,705.3	8,441.6	10,233.4
Civil administration			
(a) Government services	4,026.5	4,394.7	4,932
(b) Investments	<u>4,402.8</u>	<u>4,641.2</u>	<u>5,522.5</u>
Total authorized expenditure	18,059.4	19,625.6	23,361.6
Total ordinary revenue (actual receipts)	15,173.4	16,942.5	19,896.6
Defence and security as a percentage of total authorized expenditure	43.0	43.8	44.0
Defence and security as a percentage of actual receipts	51.0	49.8	51.5

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Source: Lei de Meios para 1969.

54. For the 1969 budget total revenue is estimated at 25,327.2 million escudos and total expenditure at 25,325.3 million escudos, leaving a surplus of 1.9 million escudos. Ordinary revenue is estimated at 18,503.4 million escudos and ordinary expenditures at 15,286.9 million escudos, leaving 3,017 million escudos to finance extraordinary expenditure covering defence and development, which is estimated at a total of 10,038.3 million escudos.

55. The initial budgetary allocation for "defence and security" amounts to 6,332.4 million escudos under the extraordinary budget (table 3). This represents a 13 per cent increase over the 5,607 million escudos provided in the budget estimates for 1968, which were, however, subsequently increased by 2,700 million escudos, including 1,000 million escudos for the "extraordinary re-equipment of the Army and the Air Force" (Decree No. 48,368, 4 May 1968 which allocated 2,000 million escudos to be spent in 1968 and 1969); an allocation of 1,500 million escudos for extraordinary defence (Decree-Law No. 48,496, 24 July 1968); and 200 million escudos for the overseas military forces, presumably to provide for salary increases approved in December 1968. Following the allocation of the 1,000 million escudos, in May 1968, the Government signed a

contract with Sud-Aviation (Société Nationale de Construction Aéronautique) and with the Office Général de l'Air for a supply of Alouette III helicopters at a total cost of 90 million escudos. According to one estimate, this deal involved about ten helicopters which are to be used by Portugal in its African Territories.

56. The 1969 defence and security allocation of 6,340 million escudos under the extraordinary budget includes 4,000 million escudos for the "extraordinary overseas forces" and another 1,000 million escudos for the re-equipment of the army and the air force. The introduction to the budget makes it clear, however, that this is only a provisional figure since the lack of statistics makes it impossible to estimate realistically the anticipated revenue. In this connexion, it is noted that the Government intends to establish the necessary machinery to provide the needed statistics and plans to revise the form of the budget to bring it in line with the modern trend of classifying revenues and expenditure on a functional basis rather than by departments.

57. The artificial division of the estimates into ordinary and extraordinary expenditures was noted in the introduction to the 1969 budget as one of the features which needs to be changed, since, as table 3 shows, the extraordinary expenditures covering only defence and development are already two-thirds of the ordinary budget. Moreover, as tables 2 and 3 show, the provisions for "extraordinary" defence and security are usually only half of the nation's total expenditures under this heading, the remainder of which are included in departmental expenditures.

Table 3

Budgetary estimates for extraordinary expenditure  
1965-1969  
(million escudos)

	<u>Estimated ordinary expenditure</u>	<u>Estimated extraordinary expenditure</u>				<u>Extraordinary expenditure as percentage of ordinary expenditure (estimate)</u>
		<u>Defence and security</u>	<u>Development Plan</u>	<u>Other</u>	<u>Total</u>	
1965	10,712.1	3,527.0	2,389.2	111.0	6,027.2	59.5
1966	11,026.5	4,011.0	2,203.3	169.5	6,383.8	57.8
1967	12,605.4	5,347	2,145.4	106.5	7,598.9	60.2
1968	13,663.6	5,613	2,920.9	137.4	8,671.3	63.4
1969	15,286.9	6,339.9	3,521.3	177.1	10,038.3	65.6

Source: 1965-1968: Portugal, Ministère des Finances. Rapport sur le Budget général de l'Etat pour 1967, Lisbonne, 1967, p. 43; 1969: Orçamento Geral do Estado para 1969.

58. Although government sources stress that Portugal continues to finance its overseas war effort from ordinary sources of revenue, the estimated extraordinary revenue (table 4) shows that even without the income anticipated from the Gulbenkian Fund, the revenue from "internal loans" alone (3,575.5 million escudos) suffices to cover the anticipated expenditure under the Third National Development Plan which amounts to 3,521.3 million escudos (table 3). Therefore almost all the remaining funds in the extraordinary budget, including foreign loans of over 1,400 million escudos, in effect serve to finance military expenditure.

Table 4

Sources of estimated extraordinary revenue  
(million escudos)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
<u>Total extraordinary revenue</u>	6,027.2	6,383.8	7,598.9	8,671.3	10,038.3
<u>Selected items of extraordinary revenue:</u>					
Money coining	67.8	78.5	162.5	220.0	210.0
Overseas defence tax	100.0	100.0	100.0	100.0	110.0
Internal loans	1,602.8	1,901.1	3,120.4	2,566.1	3,575.5
Development bonds	673.0	232.0	432.0	250.0	350.0
External loans	1,365.7	1,058.5	220.0	1,007.1	1,405.8
Surplus from ordinary budget	-	1,791.0	2,354.0	3,250.0	3,214.5
Contribution fund and contribution by the Gulbenkian Foundation to the Third Development Plan					439.6

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Source: Budget for the relevant years.

59. In spite of the reported need to reduce all government expenditures, the 1969 ordinary budget at 15,287 million escudos represents an increase of more than 10 per cent over the previous year, and by far the largest annual increase since 1960. Apart from generally higher estimates for all government departments, partly due to the recent adjustment in civil service salaries, one of the largest increases is for the expansion of education facilities, amounting to 428.7 million escudos. There is also a rise of 261.9 million escudos in the public debt servicing charge which, at 2,441 million escudos, represents almost 16 per cent of the ordinary budget.

## Portugal's economic relations with the overseas Territories

### (a) Escudo zone balance of payments with foreign countries

60. In 1967, the over-all balance of international payments for the escudo zone showed a surplus of 6,067 million escudos compared with 3,912 million escudos in 1966. This was mainly due to a surplus of 3,880 million escudos from current transactions and a capital balance of 1,870 million escudos.

Table 5

International balance of payments of the escudo zone  
(million escudos)

	<u>Portugal</u>		<u>Territories</u>		<u>Escudo zone</u>	
	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>
Trade (merchandise)	-9,785	-9,074	-1,464	-1,166	-11,249	-10,240
Invisibles	+8,627	+10,523	+3,714	+3,597	+12,341	+14,120
Total current transactions	-1,158	+1,449	+2,250	+2,431	+1,092	+3,880
Capital movements	+3,140	+2,192	- 206	- 322	+2,934	+1,870
Errors and omission	—	—	—	—	- 114	+ 317
Total	+1,982	+3,641	+2,044	+2,109	+3,912	+6,067

Source: Bank of Portugal. Report of the Board of Directors for the year 1967, compiled from pp. 153, 161 and 165.

61. Compared with the previous year, Portugal's trade deficit in 1967 was 711 million escudos lower. As table 5 shows, in 1967 the overseas Territories accounted for 2,431 million escudos or 40 per cent of the escudo zone's surplus balance with foreign countries. Of this, Angola accounted for 1,358 million escudos compared with 1,104 million escudos in 1966, and Mozambique 923 million escudos, which was 263 million escudos less than the previous year on account of its bigger trade deficit. 1/

1/ Balance of payments of Angola and Mozambique with foreign countries  
(million escudos)

	<u>Angola</u>		<u>Mozambique</u>	
	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>
Merchandise	+898	+1,024	-1,288	-1,618
Current invisibles and capital	+206	+ 334	+2,474	+2,541
Total	+1,104	+1,358	+1,186	+ 923

62. Commenting on the inter-territorial balance of payment of Portugal with the overseas Territories the Bank of Portugal states in the Report of the Board of Directors for the year 1967 that while the over-all surplus in 1967 was basically due to settlements with Angola and Mozambique, the increase in Portugal's exports of medium and long-term private capital was largely the result of the new loan granted by the Companhia de Diamantes de Angola to Angola to facilitate payments by the exchange fund (see annex II below).

63. In 1967, Portugal's balance of payments with foreign countries showed a surplus of 3,641 million escudos. This was due mainly to current transactions which included 6,047 million escudos from private transfers, 5,637 million escudos from foreign travel and 2,715 million escudos in "sundries and current invisibles". The surplus in the capital balance resulted from medium and long-term capital movements, most of which came from the private sector. As table 6 shows, the 1967 surplus in medium and long-term private operations between Portugal and foreign countries was due largely to the result of credits received in connexion with imports of goods and financial loans from foreign countries.

Table 6

Medium and long-term private capital  
Transactions between Portugal and foreign countries  
(million escudos)

	<u>1966</u>		<u>1967</u>	
	<u>Imports</u>	<u>Exports</u>	<u>Imports</u>	<u>Exports</u>
Direct investments	735	44	616	31
Transactions in securities	259	94	226	79
Credits concerned with merchandise	2,026	1,198	2,234	1,426
Loans for financial purposes	1,387	705	1,948	672
Capital movements of a personal nature	29	19	22	11
Sundries	<u>416</u>	<u>68</u>	<u>211</u>	<u>55</u>
Total . . . . .	4,852	2,128	5,257	2,274
Balance . . . . .	<u>2,724</u>		<u>2,983</u>	

Source: Bank of Portugal, Report of the Board of Directors for the year 1967, p. 163.

64. The following table shows Portugal's imports of long-term capital by the public sector for 1965-1967.

Table 7

Portugal: Imports of long-term capital by the public sector  
(million escudos)

<u>Operations</u>	<u>1965</u> (Revised)	<u>1966</u> (Revised)	<u>1967</u>
Loans from United States banks	-	345	-
Loan for the construction of the bridge over the Tagus	561	318	35
External loan in bonds (United States dollars)	545	499	-
Repayment of the loan to Turkey	1	2	2
Loan from Siemens/Kreditanstalt for the Postal and Telegraph Service	25	66	44
Loans under the terms of Decree-Law No. 47,296 a/	-	-	776
Credits for shipbuilding	-	-	851
Total	1,132	1,230	1,758

Source: Bank of Portugal, Report of the Board of Directors for the year 1967, p. 164.

a/ This decree-law of 31 October 1966 authorizes the Minister of Finance to contract internal and external loans to finance the development plans.

65. Information published in 1968 showed that between June and August Portugal's gold and foreign exchange reserves rose by \$US119 million to \$US835 million. Although there were reports that the sudden increase had resulted from purchases of gold from South Africa, these reports could not be confirmed from official sources. By the end of the year, Portugal's gold and foreign exchange reserves held by the Bank of Portugal had risen to \$US1,300 million, or the equivalent of about fourteen months of normal annual imports.

(b) Portugal's trade relations with the overseas Territories

66. In the period 1965-1967, Portugal's imports from the overseas Territories rose by 14 per cent and its exports by 20 per cent (see table 8 below) Portugal's favourable balance of trade with the Territories is an important element in

offsetting its own large trade deficit with foreign countries. Since import duties have been abolished on goods traded within the escudo zone, Portuguese goods have had a free market in the Territories, in some instances to the disadvantage of the local industries.

Table 8

Portugal's trade with the overseas Territories

(million escudos)

	<u>Imports from</u>			<u>Exports to</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Angola	2,060	2,418	2,438	2,343	2,224	2,688
Mozambique	1,327	1,303	1,496	1,356	1,545	1,754
Other Territories	<u>264</u>	<u>221</u>	<u>221</u>	<u>441</u>	<u>428</u>	<u>512</u>
Total overseas Territories	3,651	3,942	4,155	4,140	4,197	4,954
Foreign	<u>22,902</u>	<u>25,464</u>	<u>24,980</u>	<u>12,433</u>	<u>13,615</u>	<u>14,731</u>
Total (all trade)	26,553	29,406	29,135	16,573	17,812	19,685

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Source: Bank of Portugal, Report of the Board of Directors for the year 1967, p. 181.

67. As reported last year (A/7320/Add.1, appendices III and IV), economic development in Angola and Mozambique in recent years has concentrated mainly on the export sector and these two Territories are becoming even more important sources of raw materials needed by Portuguese industries. Also with a guaranteed supply of crude petroleum and iron ore from Angola, a new refinery has been built at Oporto in Portugal and there are also plans to increase the capacity of the national steel plant.

68. As reported in 1968 (A/7320/Add.1, appendix III), in recent years considerable new capital has been placed in both Territories to increase production of the traditional export crops - namely, cotton and sugar. Provisional data show that in 1968 Angola exported 8,500 tons of cotton lint, valued at 180 million escudos. The Territory's own textile production, however, was valued at only 167 million escudos, while imports totalled 437 million escudos, of which 386 million escudos were from Portugal. In December 1968, the Government authorized (Ministry of Economy and Finance, Despacho, 3 December) guarantees of up to 250 million escudos to be made available to the Portuguese textile producers for the purchase of cotton from the overseas Territories.

(c) Economic integration and industrial development of the overseas Territories

69. The present plan for the economic integration of the overseas Territories (Decree-Law No. 44,016, 8 November 1961) envisages the establishment by 1972 of an area of free trade between Portugal and its overseas Territories, free movement of capital and persons, and, through the expansion of the "national" market and the "national" exploitation of resources, the establishment of "favourable conditions for the rapid and balanced growth of economic activities and the progressive improvement of levels of living" in all regions. With less than three years before the target date, criticism is growing, especially in Angola, not only of the non-implementation of the basic plan but also of the present concept of economic integration.

70. The main source of dissatisfaction appears to arise from the fact that policy decisions are taken in Portugal, giving priority to what is considered to be "national interests", often at the expense of the economies of the Territories. For example, the removal of trade barriers has been mainly to the advantage of Portugal and it has not been accompanied by the freeing of currency exchange controls which restrict the Territories' trade. There is also dissatisfaction with the 1965 legislation on regulating the establishment of industries in the overseas Territories (Decree No. 46,666, November 1965) which is no longer realistic m/ in view of the recent developments in the Territories, including the territorial Government's need to find new sources of revenue and the discovery of new mineral resources in Angola which could provide the basis for many new industries.

71. In addition to various criticism in the local Press in Angola, the Second Round Table Discussions on Industry, which was held in Lisbon in December 1968, also concentrated on the problem of the formulation of a genuine national economic policy. Participants in this meeting included the presidents of the industrial associations of Angola and Mozambique, the president of the Corporation of Industries (a government regulating body) and the Secretary of State for Development, Dr. Rui Patrício.

72. The principal criticism came from the President of the Angola Industrial Association, Eng. Garcia Castilho, who pointed out that owing to its "other commitments", the Portuguese Government had not been able to invest in the Territories the sums originally envisaged (see annex II below) and as a result economic disequilibrium between Portugal and the Territories had become further accentuated and the goals of national economic integration were still far from being achieved. Not only had the Government failed to provide credit facilities and incentives to attract investment, but the heavy taxes on the industrial sector in Angola had deprived it of its already small resources for reinvestment and self-financing. He suggested that all the legislation on measures of economic integration should be reviewed with a view to removing the arbitrary and discretionary powers held by the Portuguese Government, and to enabling the Territories to develop freely according to their own needs.

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m/ In September 1968, in a despacho, the Overseas Ministry, acknowledging the need to revise the regulations regarding exemptions from customs duties, issued new guidelines to encourage exemptions for construction materials imported by industries which make a contribution to the national economy.

73. An example of such problems concerns the licensing of industries in the overseas Territories. In October 1968, an editorial in a local paper in Angola criticized what it called an "occupation of the Territory's fishing industry by Portuguese capitalists" who, protected by the law and political influence, were able to control Angola's fishing industry. At that time the Portuguese Government was considering restricting the right of the Angola Government to the authorization of fishing boats not exceeding fifty tons and the establishment of fisheries with capital not exceeding 2 million escudos.

74. Although the Secretary of State for Development cited figures to prove that under the present economic integration policy the industrial sector in Angola and Mozambique had achieved substantial growth, the final statement of the Second Round Table called for: (a) the revision of the existing legislation on economic integration "in cases where the goals established were unrealistic"; (b) a clearer definition of the steps to be taken on the implementation of the Third Development Plan; (c) new legislation to enable the Territories to introduce, as a temporary measure, import duties on goods of national origin in order to protect their own industries; (d) a revision of the quantitative trade restrictions between the different points of the escudo trading areas; (e) new incentives to encourage investment and industrial production; (f) the establishment of medium and long-term credit; and (g) resolution of the problem of inter-territorial payments (i.e. currency exchange controls).

#### International relations of Portugal affecting the Territories under its administration

##### (a) Relations with Western Powers

75. During 1968, press reports indicated that Portugal had begun to develop as the main theme of its international relations the strategic role of the Territories under its administration. Portugal's Minister for Foreign Affairs, Mr. Franco Nogueira, repeated this theme with increasing emphasis in his regular news conferences and in his public speeches.

76. In April, for instance, he put forward the view that, as the scheduled withdrawal of the United Kingdom forces from the east of the Suez Canal could create a "colossal vacuum", the Portuguese islands of Madeira and Azores in the Atlantic and the Territories of Cape Verde and São Tomé would become "bulwarks" of Western defence. Discussing the possible need to use the Cape route around South Africa if the Suez Canal remained closed, Mr. Nogueira said that the long coast line of Mozambique in the Indian Ocean, with its "magnificent and excellently equipped harbours and airports" could, jointly with the Republic of South Africa, "defend this vast area and guarantee lines of maritime communications". Earlier developments in the year, he said, "had made Portugal's policy to stay in Africa become clearer".

77. At the fourteenth annual meeting of NATO, which was held in Lisbon in October, Mr. Nogueira made a plea for the extension of NATO's sphere from the north to the south Atlantic which includes both Angola and Guinea, called Portuguese Guinea. He said that Portugal had never understood how the security of one part of the Atlantic could be assured without taking into consideration the other part. Portugal's African policy would be pursued therefore with determination, in the interests of NATO and the free world.

78. In December 1968, Mr. Vagueira asserted that his Government "was now in a position to demand the co-operation of Western Powers in the defence of the Portuguese Territories in Africa". This, he explained, was because the military leaders of the Western nations "now recognize the value of Portugal's overseas positions for the defence of the western world". He claimed that Portugal had "sure information that the military chiefs of the large Western Powers would be greatly troubled and disturbed if the Portuguese position in the world were shaken or weakened".

79. He also announced that Portugal intends to raise the question of the United States military base in the Azores Islands as soon as possible and that the Portuguese Defence and Foreign Ministries were preparing concrete proposals for negotiations with the United States Government. The previous agreement on the Azores expired in 1962 and after renewal for one year, continued use of the facilities by the United States has been on a year-to-year basis.

80. It has been reported that the military attachés of the embassies of the Federal Republic of Germany, Italy, Spain, the Republic of South Africa, the United Kingdom of Great Britain and Northern Ireland and the United States of America visited Guinea, called Portuguese Guinea, Angola and Mozambique in February 1969.

(b) Relations with the Republic of South Africa

81. According to Portugal, its relations in southern Africa are based on the principles of "good neighbourliness" and "common interests"; and since each country needs its neighbours, it is impractical that each should go its own way. Although in 1968 Portuguese officials enunciated this as Portugal's general policy in its relations with the African States with common borders with Angola and Mozambique, as Mr. Nogueira said in 1967, it is principally with the Republic of South Africa that Portugal claims to share "the same system of values" which both were equally determined to defend (see A/7200/Add.3, chap. VIII, annex I, para. 61).

82. The Prime Minister of South Africa, Mr. Balthazar J. Vorster, expressed a similar opinion in a statement in May 1968. Referring to South Africa's participation in the Cabora Bassa dam project in Mozambique, he said that the scheme had resulted from the good relations and understanding which existed between the two countries and that this good-neighbourliness was in keeping with the stand taken by South Africa and that there could be such relations between nations, despite different domestic policies, for, as was well known, the internal policies of Portugal, which supported assimilation, and South Africa, which supported separate development, were poles apart.

83. During 1968 South African official visits to Portugal included, among others, that of the Minister of Transport, Mr. Jacobus Schoeman, and the President of the Nuclear Energy Commission, Dr. A. Roux. n/ During his stay, Dr. Roux visited the Portuguese nuclear and physical energy Laboratories and held conversations with officials in the Division of Studies and Planning of the Nuclear Energy Commission and with General Kaulza de Arriaga, then the head of the Commission.

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n/ Portugal's budget for 1969 shows a large increase in the allocation for its Nuclear Energy Commission.

84. Various military and other South African officials also visited Mozambique, including Dr. Carol de Wet, Minister of Health, Planning and Mines, and General Charles Alan Fraser, the chief of staff of the combined armed forces of South Africa. In February 1969, the Portuguese Defence Minister, General Rebelo, said after his visit to South Africa that he had been completely satisfied with the talks he had had with South African cabinet ministers and top military officers. He said also that further talks are to be held at the ministerial level both in Lisbon and in Pretoria and expressed gratitude for the support shown by the people of South Africa through their aid and comfort fund.

85. There is growing evidence of South Africa's interest in helping Portugal in its war in Angola and Mozambique. o/ Organized welfare aid to the Portuguese troops has gained momentum, and the South African Aid Fund for Portuguese troops, p/ which was started in 1967 to send Christmas gifts to the Portuguese troops in Mozambique, recently raised 25,000 rands q/ to purchase and send to Mozambique two air ambulances. Further donations of air ambulances are expected, including one from a Durban theatre group. In 1968 the Fund also sent gifts to Portuguese troops in Angola. The founder of Friends of Rhodesia, Mr. Stanley Cox, has also started a new group in Natal, known as the Society of Southern Africa, to raise funds for the welfare and comfort of Portuguese troops.

86. In August 1968 the leader of the Opposition in South Africa, Sir de Villier Graaf, suggested that the time had come to consider what means could be found to provide non-military aid to "the brave soldiers who are fighting for the integrity of Portuguese territory and for ours also". South Africa, he is reported as saying, must convince itself that, in a certain measure, the Portuguese are fighting a battle that is also South Africa's.

87. As reported elsewhere, r/ South African private investments in both Territories are increasing each year, especially in the mining sector in Angola and in the agricultural sector in Mozambique. However, even more important are the South African government investments in the Cunene River basin scheme in Angola and in the Cabora Bassa dam in Mozambique. In both cases, South African participation is aimed at assistance to the Portuguese Government by providing a substantial share of the financing which otherwise would be beyond Portugal's means. Although the South African share in the financing of the Cabora Bassa scheme is not known, the consortium which won the bid for the first stage of work includes the Anglo-American Corporation and two other South African companies (the remainder are three French, five from the Federal Republic of Germany and one Swedish). The total investment in this dam is expected to amount to "hundreds of millions of United States dollars."

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o/ Although some press reports have suggested that some South African soldiers have been seen in Mozambique there has been no confirmation that they are taking part in the actual fighting. During 1968 the South African weekly magazine News/Check published a detailed article by a reporter who interviewed Portuguese military personnel in Angola (12 July 1968).

p/ Also known as the Mozambique Fighting Soldiers Fund.

q/ One rand equals \$US1.40.

r/ See annexes II and III below and A/7320/Add.1, appendix III.

88. In January 1969, Portugal and the Republic of South Africa signed a further agreement on the joint use of the Cunene River to provide water and power in the southern part of Angola and Namibia. In the first phase of this scheme a new dam, the Gove dam, is to be built on the central plateau, deep inside Angola, about 100 kilometres from the city of Nova Lisboa, creating a lake 178 kilometres in length. This scheme is expected to convert some 500,000 hectares of arid land into arable productive farmlands in Angola and Namibia and benefit a total of about half a million inhabitants.

89. The new dam will control and regulate waters all along the course of the Cunene River and increase the capacity of the hydro-electric generating station at Matala which now supplies the cities of Sá da Bandeira and Moçâmedes. On the Angola side, the plan, when completed, will make it possible to irrigate 20,000 hectares from Quiteve to Humbe and provide water for the population and cattle living in an area of 800,000 hectares. On the Namibia side the plan is to provide 100 million gallons of water a day to Ovamboland.

90. The first phase involves a total investment of 1,500 to 2,500 million escudos with an estimated 400 million escudos for the Gove dam alone. The final total cost is expected to amount to 17,000 million escudos. Each of the two Governments is to provide half of the funds. Portugal undertakes to guarantee the supply of a minimum amount of water and the Republic of South Africa will pay a royalty to Portugal as a compensation for the water supplied above the agreed minimum for the electricity it uses from the hydro-electric plant at Ruacaná.

#### (c) Relations with Southern Rhodesia

91. According to Portugal, its relations with Southern Rhodesia are governed by the same principles of good neighbourliness and strict neutrality as regards access to the sea which govern Portugal's relations with African States sharing common borders with Angola and Mozambique. As regards sanctions, Portugal's stated position in 1968 was that: (a) its own trade with Southern Rhodesia is so small that it cannot have an important effect on the economy of Southern Rhodesia; (b) transit trade to and from Southern Rhodesia through Angola and Mozambique was limited to transactions conducted by other than Portuguese nationals; and (c) none of the ships carrying goods to and from Southern Rhodesia flew the Portuguese flag. s/

92. The National Institute of Statistics in Lisbon reported that trade between Portugal and Southern Rhodesia reached an all-time high in 1967 with the total trade amounting to some 240 million escudos. Portugal's imports from Southern Rhodesia included 5,038 tons of beef compared with only 776 tons in the previous year. Sugar imports from Southern Rhodesia totalled 26,584 tons, compared with 7,079 tons, and tobacco 605 tons, compared with 524 tons.

93. In July 1968, when leaving his post at the end of a three-year term, the representative of Southern Rhodesia in Lisbon said that the association between his country and Portugal would go on forever. He emphasized that through having "Portugal as a neighbour on two of her borders" Southern Rhodesia had derived

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s/ For further details and the text of the General Assembly resolution on this question, see A/7623/Add.1.

important benefits. Having established in Lisbon a threshold on the continent, Southern Rhodesia would maintain its lifeline in pursuing its policy of diversification of industry and export trade with many countries.

94. In a Christmas message to the people of Mozambique, Mr. Ian Smith expressed Southern Rhodesia's gratitude to its allies. Emphasizing that Mozambique and Southern Rhodesia were allied in a common struggle against subversion, he expressed satisfaction with the formation in southern Africa of a bloc of nations which had adopted the same realistic policy in the face of common problems. He cited this as one of the most significant developments of the year.

(d) Relations with African States sharing common borders with Angola and Mozambique

95. On several occasions in 1968 the Governments of the Democratic Republic of the Congo and of Zambia addressed complaints to the Security Council on the violation of their territorial integrity by Portuguese troops and aircraft.

96. In a letter dated 3 June 1968 addressed to the President of the Security Council (S/8619), the Democratic Republic of the Congo protested against the violation of its territorial sovereignty by Portuguese military aircraft. According to the letter, on 21 May 1968, two Portuguese military aircraft dropped leaflets printed in Portuguese over Kimpangu, a frontier location about 120 kilometres from Moerbeke. The leaflets, which bore an imprint of the Portuguese flag carried a message offering a house, clothing, medical care and justice in Angola to all citizens who presented the leaflet on return. One source identified the Portuguese aircraft as being a Dormier, a T-6 and a helicopter, which were fired on by Zambian forces when they violated its air space.

97. In a further letter dated 28 June 1968 to the President of the Security Council (S/8660), the Democratic Republic of the Congo complained of a further violation of its territorial sovereignty by Portuguese military aircraft. According to this letter, on 23 June 1968, Portuguese military aircraft bombed the village of Yongo in the Central Congo Province, three kilometres from the frontier, wounding two inhabitants and damaging some houses.

98. A third complaint, dated 5 July 1968 (S/8672) reported a series of violations of Congolese territory, including the intrusion of fifteen Portuguese soldiers at the village of Shamurundi in the Kulundi sector where they set houses on fire and seized five Angolan refugees. According to the Portuguese Press the soldiers, who were travelling from Cazombo to the border town of Teixeira de Sousa, were arrested by Congolese authorities when they inadvertently crossed the border.

99. In March and again in November 1968 there were reports of Portuguese attacks on Zambian villages. According to the Press, on March 20 a helicopter reportedly flew over Zambian territory and then returned to Angola; and on 22 March Portuguese planes dropped eleven high explosive bombs in several Zambian villages in the Kalabo district. Later in November 1968 a clash between Portuguese and Zambian troops occurred in the Katete district. Two persons, one Zambian and one Portuguese, were reported killed. In December 1968, the Portuguese Government announced that as a gesture of goodwill and good neighbourliness, it had reached agreement with the Zambian Government on the border incident, for which Portugal

accepted responsibility and would pay compensation for loss of life and damages to property. According to one report the Portuguese note to the Zambian Government admitted responsibility for six incidents for which it would pay compensation. The note added that the Portuguese Government respects Zambian territorial integrity and that "Portuguese security forces operating against African guerrillas had been warned to that effect and to avoid incidents".

100. In January 1969, a further incursion of Portuguese troops near Chindi, Zambia, was reported. According to Zambian sources, four armed Portuguese troops crossed into Zambia from Caripande in Angola; a clash took place near the Chindi Police camp in the Balovale district of Zambia.

#### (e) Luso-Brazilian relations

101. As reported previously (A/6700/Rev.1, chap. V, paras. 91-93), in September 1966 Portugal and Brazil signed agreements on trade, technical and cultural co-operation and a joint declaration on economic co-operation. Instruments of ratification in these respects were exchanged between the two Governments only in March 1968, although both countries appear to have considered the provisions of the agreements to have taken earlier effect and the Economic Committee, established under the provisions of the new trade agreement, had already met several times before that date.

102. In July 1968 Mr. Franco Nogueira noted that within the United Nations, the Governments of Portugal and Brazil took the same positions on the problem of international control of atomic energy, and that as a result, Portugal furnished Brazil with uranium completely free of any conditions. Later, in October, the Minister for Foreign Affairs of Brazil, Mr. Magalhães Pinto, said at a press conference in New York that the links of sentiment and friendship between Portugal and Brazil were very sincere and that in the General Assembly Brazil would vote against any measures hostile to Portugal; it would abstain on sanctions against Portugal and vote against any proposal of a boycott.

103. For the first time in their history, in August 1968, Portugal and Brazil held joint naval manoeuvres in Brazilian waters. Participating Portuguese naval craft included the newly delivered frigates, the Admiral Pereira da Silva and the Admiral Gago Coutinho.

#### Participation in international and regional organizations

104. At its ninth session held in January 1969, the United Nations Economic Commission for Africa (ECA) adopted a resolution on the participation of Angola, Mozambique and Guinea, called Portuguese Guinea, in the work of the Commission. In this resolution, the Commission recommended that "the Organization of African Unity should propose representatives of the inhabitants of the countries concerned and inform the Executive Secretary accordingly, in order to enable him to bring the matter before the General Assembly."

105. It may be recalled that in accordance with paragraph 6 (a) of the terms of reference of ECA, as amended by ECOSOC resolution 974 D (XXXVI), the three Territories under Portuguese administration are already associate members of the Commission, and the question of their representation has been before the Commission since 1967.



ANNEX II\*

ANGOLA

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\* Previously issued under the symbol A/AC.109/L.538/Add.1.

Constitutional and political

1. There were no constitutional or legislative changes in 1968 affecting the system of government and administration of the Territory.

(a) Territorial Government

2. In 1968, the Government continued to give priority to the main objective of bringing to an end all forms of guerrilla activities. As a result there has been a growing military effort and, repeatedly during the year, the Governor-General appealed for the active co-operation of all sectors and interests in the Territory in achieving this goal. The year also saw a growing concern about internal "subversion" which led to the introduction of extensive new security measures and to the expansion of security forces, in particular the rural guard, owing to the rise in the number of ambushes and attacks on plantations in the northern region, including, in one instance, two attacks on the Tentativa sugar plantation in the Cuanza-North District.

3. Also, as the Governor-General admitted on his return from Lisbon, after reporting to the new Portuguese Government, the Territory has begun to face a number of serious economic problems. These include the problem of finding resources to balance the 1969 territorial budget, the financing of the Third National Development Plan, and a revision of the tax system.

4. Angola's financial difficulties are reported to have resulted primarily from two causes: on the one hand, rising costs for "defence and security" and, on the other hand, losses of revenue resulting from the abolition of import duties on goods from Portugal under the plan for the economic integration of the "Portuguese realm". Although a number of new taxes have been introduced since 1961, b/ the general effect has been rising inflation, the flight of capital abroad and consequently a slowing down of new investments. The problem the Government faces is to find new sources of revenue while, at the same time, encouraging investments needed to provide such revenue.

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a/ For general information on the Territory, see Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (Part II), (A/6700/Rev.1), chap. V, para. 98.

b/ As, for example, the general minimum tax (Diploma Legislativo No. 3,191, 14 December 1961), a surtax on coffee exports (Diploma Legislativo No. 3,326, 31 December 1962), the tax on consumption of petroleum products (Diploma Legislativo No. 3,370, 1 May 1963), the extraordinary defence tax (Decree No. 45,067, 7 June 1963) and the production and consumption tax (Diploma Legislativo No. 3,754, 28 August 1967; see A/7200/Add.3 and Corr.1, annex II, para. 144). Budget estimates show that between 1961 and 1968, direct taxes rose 97 per cent, indirect taxes 114 per cent, production and consumption taxes on certain special industries, including tobacco, sugar, petroleum and beer, 412 per cent. In 1968, the revenue from the 1967 production and consumption tax was expected to equal four fifths of the export duties.

5. Another contributing factor to the Territory's financial difficulties has been what could be called a "taxpayers' revolt". In a sample examination of the accounts of ninety-one enterprises made in early 1968, the Government found that the taxes paid amounted to only 106.3 million escudos instead of 222.2 million escudos due, so that there was a loss of revenue of 115.9 million escudos. It is recognized, however, that the complicated procedures for calculating and reporting taxes have also contributed to the difficulties in collecting taxes.

6. During the year, the Government completed a draft text of the intended revision of the territorial tax system designed to increase revenues and simplify procedures. The draft legislation was first submitted to the Territory's Economic and Social Council on which various economic interests are represented. In September, business associations representing agriculture, industry and commerce in the Territory requested the Governor-General to postpone the adoption of the new legislation on the capital use tax on the ground that it could bring about an economic recession. Later, in November, the new tax system also came under criticism in the Legislative Council, both because the Government had not consulted the Council at an earlier stage and because of the adverse effects it might have on the economy of the Territory.

7. One Council member, Mr. Sors Iagrifa, for instance, charged that the constant tax increases and foreign exchange difficulties had kept the Territory in a state of "latent development"; he noted that while direct taxes c/ were not adequately enforced, there had been a constant rise in indirect taxes affecting consumers which had prevented the attainment of a higher standard of living. The proposed new tax on the use of capital, Mr. Iagrifa said, would discourage not only large foreign investments but also small and medium capital investments.

8. Although the Governor-General subsequently agreed to postpone consideration of the tax on the use of capital, in January 1969 he introduced the new tax code and the regulations on the professional tax. The new tax code is viewed by the Portuguese Government as part of the implementation of the national economic integration policy of 1961, which envisages the co-ordination of the fiscal régimes in Portugal and the overseas Territories.

#### (b) Local administration

9. Municipal councils. In November and December 1968, elections were held in the Territory to the district boards, municipal councils (except Luanda) and the fifteen parish boards of Luanda. Members were elected for a four-year term from 1969 to 1972. The last elections to the municipal councils were held in 1964, and

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c/ Direct taxes include personal and corporation income taxes. In the 1968 budget anticipated revenue from direct taxes was 728 million escudos, compared with 1,224 million escudos from indirect taxes.

special elections were held in 1966 following the creation of more than twenty new councils. In 1968 there were over 100 municipal councils in Angola. d/

10. The only election results available are for the Luso Municipal Council, in which 658 direct votes were cast. At the 1960 census the Luso concelho had a population of 86,405, of which 2,456 were listed as "white", 842 as mestiços, and 83,107 as Africans. Assuming there has been no change in the total population, the number of direct votes cast represents less than 1 per cent, or about 8 per 1,000 population.

11. The elections to the municipal councils are governed by the electoral law of 6 December 1963 under which the principal qualification for male citizens is the ability to read and write Portuguese. Those who cannot read and write Portuguese may qualify for the vote if they are "heads of families" - i.e., with a legitimately constituted family living with him under his authority and sharing his board - and pay taxes as specified by the Government.

12. The Luanda Municipal Council, reconstituted in September 1968, will be expanded from six to ten members elected to represent different interest groups. Two members will be elected by direct suffrage and two by the parish boards which are elected by heads of family. Employers' associations, labour and cultural and religious interests will also each have two elected representatives. Candidates, in addition to the other qualifications, must have had four years of primary education.

13. In recent years the district and municipal councils have been given more responsibilities in such matters as public utilities, water, electricity, and sewerage and housing and sanitation. In several of the principal European centres, such as Carmona, Lobito, Benguela, and Luso, the municipal budgets often run into millions of escudos, and a number of these communities have contracted new bank loans to provide electricity, water or sewerage facilities.

14. Faced with a growing population and problems of urbanization, the Municipal Council of Luanda has for some time felt it should be given wider powers. This was stressed by the new president who took office in May. High on the list of problems facing the Luanda council is the "legalization" of various areas "illegally" occupied by Africans. In 1968 the Luanda Municipal Council had a budget of over 114 million escudos. Under its new statute and expanded powers, the council is expected to assume a greater responsibility for municipal affairs.

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d/ For a description of the system of local administration see Official Records of the General Assembly, Nineteenth Session, Annexes, Annex No. 8, (Part I) (A/5800/Rev.1), chap. V, para. 46 and ff. Municipal councils are established in concelhos where there are more than 500 persons qualified to vote in the direct elections to the Legislative Council, and parish boards are established in areas where there are more than twenty qualified voters. Luanda excepted, the municipal councils are composed of a president, usually the administrator of the concelho, and four members, two of whom are elected by direct suffrage and two by representatives of economic, social or cultural interests or, where these do not exist, by individuals of Portuguese nationality who pay a minimum direct tax of 1,000 escudos per year.

15. The general minimum tax. In August 1968, the regulations governing the general minimum tax (imposto geral mínimo) were revised to liberalize exemptions and the time-limit for payment and to improve collection procedures (Diploma Legislativo No. 3,844, 22 August). Among those now exempt from payment are the disabled or ill, who are normally incapable of working; military personnel on active duty; servicemen during the year they were discharged; persons who have donated at least 600 cc of blood to the health services; retired persons on pension who have no other income; and persons organized into the militia for at least three months of the tax year. The rates of the general minimum tax for 1969 were fixed at 150 escudos in Cuando Cubango, 200 escudos in Moxico, 250 escudos in Cabinda and Zaire, and 300 and 350 escudos in the remaining districts (Angola, Despacho, 11 October 1968). Revenue from the general minimum tax amounted to 260 million escudos in 1967.

16. As reported previously (A/6700/Rev.1, chap. V, para. 174), the industrial tax rate in certain areas was reduced by 50 per cent in 1967 (Diploma Legislativo No. 3,703, 27 January), to encourage European settlements and the establishment of new industries in the border districts. These were the Nóqui circunscrição in Zaire District, the Zombo and Macola circunscrições and the Quando concelho in Uíge District, bordering the Democratic Republic of the Congo; and Teixeira de Sousa concelho in Moxico District, bordering Zambia. (Diploma Legislativo No. 3,795, 31 January). In 1968, the Government extended this tax reduction to areas of the Cuangar e/ and Dirico circunscrições in Cuando Cubango District on the border of Namibia.

## Military activities

### (a) The war situation

17. In 1968 there was a considerable increase in guerrilla activities especially in the northern districts and along the whole eastern frontier of the Territory, stretching from the border with the Democratic Republic of the Congo in the north to near the Caprivi Strip in the south. Faced with a problem of what the Government describes as growing internal "subversion", internal security measures have been tightened in all but four districts (in the southwest area), the role of the military and para-military forces has been expanded, and various economic and social measures have been introduced in support of the Territory's war effort.

18. In Cabinda, where a large contingent of Portuguese troops has been stationed since 1967 to protect the Cabinda Gulf Oil operations, the Portuguese military communiqués in the early part of 1968 reported fighting only in the Maiombe (Euco-Zau) and Tando Zinze regions. After a lull of several months, guerrilla activities were renewed towards the end of the year; in December 1968, for instance, there were two ambushes of Portuguese and militia troops in the Sangarongo region, causing seventeen Portuguese casualties including the death of five soldiers.

19. In the north, Portuguese military bulletins reported guerrilla activities throughout the year in the districts of Zaire, Uíge, Luanda and Cuanza-North and

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e/ Where a new timber company has been established. See para. 73 below.

in the northern part of Lunda District. Apart from the Dembos area, which has been a guerrilla stronghold since 1961, guerrilla activities were again reported closer to Luanda, including the Dande region, and around Ambriz which is one of the Territory's largest towns on the northern coast. The Portuguese military bulletins reported attacks on, and destruction of, some guerrilla camps in the Zala-Nambuangongo area (about 180 kilometres from the city of Luanda).

20. On the eastern border, intensive guerrilla activities continued throughout the year and fighting increased towards the end of the year. In all the four border districts, Lunda, Moxico, Bié and Cuando-Cubango, there was guerrilla fighting, extending from Teixeira de Sousa on the border of the Democratic Republic of the Congo southwards along the frontier with Zambia and westwards to the Silva Pinto region in the centre of the Territory (some 700 kilometres from the border with Zambia). Some of the main areas of repeated guerrilla activities were Gago Coutinho, Cuito Cuanavale, Cuemba, Luso, Nova Chaves, Teixeira de Sousa and Cazombo (see map). During April and May 1968 there were four derailments on the Benguela Railway as a result of guerrilla attacks. In April 1968, the line was cut by guerrillas about six miles from Cangombo, 300 kilometres from the border with the Democratic Republic of the Congo. In the last week of April 1968, the railway was attacked twice between Simoge and Cangonga causing two derailments. During one week in mid-May 1968, a locomotive and four cars were derailed between Saviunguila and Chitende. These brought to a total of eight the number of derailments caused by guerrilla activity since December 1966. Except for a reported robbery of ore in December, there were no further derailments or traffic stoppages during the year.

21. Towards the end of 1968, the official military bulletins began to report an increasing number of ambushes on Portuguese troops, as well as attacks by guerrillas on African villages and Portuguese military camps. According to official sources Portuguese troops destroyed a number of camps, said to belong to the Mouvement Populaire de Libération de l'Angola (MPLA). In the last week of January 1969, special military bulletins issued in Lisbon reflected heavy fighting in Angola - including one attack by guerrillas, in which eighteen workers of the Benguela Railway were killed and another thirty-three wounded. According to the bulletins, the railroad workers were attacked in the Teixeira de Sousa area near the border. This was said to be the biggest single attack on civilians in Angola for several years.

22. The three national liberation groups which claim to be active inside Angola are the Front National pour la Libération de l'Angola (FNLA), MPLA and the União Nacional para a Independência Total de Angola (UNITA). Three Swiss journalists who visited Angola in July 1968 under the protection of the FNLA later reported that they had been able to travel freely through the northern part to Bembe (about 150 kilometres inside the border); in the course of three weeks they covered the entire area between Bembe and Nambuangongo, and visited more than twenty villages. Most of FNLA's activities have been in the northern districts including Cabinda, Lunda, Cuanza-North and Moxico.

23. MPLA claims activities on three fronts: in the districts of Cabinda, Luanda, Cuanza-North, Zaire and Uíge in the north; Lunda in the northeast; and Moxico and Cuando Cubango in the southeast. According to press reports, in March 1968 MPLA held its first regional conference inside Angola. In an interview published in August 1968, an MPLA spokesman claimed that in the past year it had formed more

than 2,000 politico-military cadres; killed 1,160 enemies including agents of the Polícia Internacional e de Defesa do Estado (PIDE); and freed more than 300 Angolans from protected villages and 150 persons from forced labour.

24. During 1968 the Portuguese military bulletins referred only once to UNITA activities. Nevertheless, UNITA claims to have some 3,000 well-trained soldiers and to have had several encounters with Portuguese troops. In a letter addressed in July 1968 to the Liberation Committee of the Organization of African Unity (OAU), UNITA reported that in order to organize the people in the Territory it had established its presence in Moxico, Cuando Cubango, Lunda, Bié, Malanje and Huambo. It claimed that 50 per cent of the population in these districts no longer paid taxes to the Portuguese authorities. UNITA claims that its Central Committee held a conference of political and military cadres in Angola from 31 August to 5 September 1968. In a communiqué on its military activities during June-October 1968, UNITA reported a number of attacks on Portuguese troops, especially in the Bié and Moxico Districts around the Benguela Railway.

25. Owing to the increased guerrilla activities; senior Portuguese military officers made several visits to the Territory during the year. These included the Defence Minister, General Gomes de Araújo (who has since been replaced) and the Secretary of States for the Air Force, Brigadier Fernando Alberto de Oliveira, in July and August 1968, and the newly appointed Minister of the Army, Brigadier Bettencourt Rodrigues, in December. In February 1969, the new Defence Minister, General Sá Viana Rebelo also visited the Territory.

26. Brigadier de Araújo visited several military garrisons in what the Government refers to as "[guerrilla] affected districts" in the east and the north, including Cabinda District. On his return to Lisbon, after touring various military units in the principal areas, the Defence Minister said that Angola was experiencing "an amazing economic boom", and expressed the conviction that the Portuguese soldier was the best guarantee for the progress of the Territory.

27. The Secretary of State for the Air Force, who made an inspection tour of air force units stationed in Angola, announced during his visit that the Air Force was planning to engage young technicians from Angola for its maintenance facilities in Luanda. This would reduce the number of technicians needed from Lisbon and have the advantage of lowering costs and increasing manpower stability. Various other measures have also been introduced to stimulate the interest of young people in a career in the air force. Among others, these measures included the extension to Angola of the loan of airplanes and other equipment from the Aeronautics Department to schools and organizations engaged in aeronautical sports and the continuation of the annual subsidies for the local training of 135 pilots and 135 parachutists. (Portarias No. 23,390, 18 May 1968, and No. 23,610, 14 September 1968).

28. The visit to the Territory of the Minister of the Army, Brigadier José Manuel Bettencourt Rodrigues, in December, which was reported to be concerned with the increasing guerrilla attacks in the east, was, however, described by the Minister himself as "an expression of the national unity, of the cohesion and unbreakable solidarity of the Portuguese realm". The local Press carried long accounts of his visits to military barracks in the districts of Cabinda, Zaire, Uíge, Luanda, Cuanza-North, Moxico and Huambo; he visited most of the larger towns as well as many of the populated centres near the border. For the first time

there were references to an official inspection of security measures in a number of protected villages, including those in the Nambuangongo region in the north, and the Luso, Cazombo and Lumbala regions in Moxico District, each of which has its own militia. In a radio message to the people of Angola, the Defence Minister said that the rapid economic progress of the Territory has only been possible "by the co-ordinated and efficient action of police and administrative authorities and the military and militarized forces". Later he told the Press in Lisbon that "the development of Angola is taking place under a security coverage which is maintained by the authorities and the armed forces". He added, however, that "Angola continues to be the target of an intense subversive effort which is present everywhere and which includes the recruitment of guerrillas" and said that the nation should bear in mind that counter-subversion requires all kinds of sacrifices.

(b) Military expenditure

29. The estimated military budget for 1969 is 1,250 million escudos which represents an increase of 31 per cent over the previous year. In 1968, the estimated military budget was 951.3 million escudos, of which 678.9 million escudos was for the army, 200.5 million escudos for the air force, and 71.9 million escudos for the navy. This was to be entirely financed from the Territory's own resources as follows: 445.1 million escudos from the ordinary budget; 0.5 million escudos from the extraordinary budget; 121 million escudos as a contribution from autonomous bodies; 200 million escudos from the extraordinary tax for the defence of Angola; 34.7 million escudos from the Overseas Military Defence Fund; and a special credit of 150 million escudos, which was subsequently authorized from the extraordinary budget in June 1968 (Portaria No. 15,601, 22 June 1968). The budget estimates for 1968 also included 27.4 million escudos for the territorial naval services and 268.7 million escudos for the militarized, para-military and security organizations, as follows: 221.4 million escudos for the Public Security Police (PSP), 33.3 million escudos for PIDE and 14 million escudos for the Provincial Organization of Volunteers and Civil Defence (OPVDC). Two further allocations for military expenditures were made in December 1968: one of 84 million escudos for the army to be financed from budgetary surpluses from 1967 (Portaria No. 23,772, 14 December 1968) and a second of 25.1 million escudos for the Territory's contribution to national defence to be financed from import duties collected over and above the 1968 estimated receipts (Portaria No. 23,774, 14 December 1968). The total budgetary estimates for military and related activities in 1968 amounted to over 1,350 million escudos corresponding to about 25 per cent of the total 1968 budget.

30. In August (Decree-Law No. 48,538, 20 August 1968), the Government for the first time authorized the sobrevalorização tax to be used for purposes other than development. f/ Then in September (Portaria No. 23,596, 7 September 1968) Angola was authorized to use 20 million escudos from this source for extraordinary expenditures related to military activities.

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f/ The sobrevalorização tax is levied on the difference in the current export price of certain commodities as compared with the 1949 price. See Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 23 (A/6300/Rev.1), chap. V, para. 108. It was originally introduced to finance development and heretofore has been used only for such purposes.

31. In 1968, the extraordinary defence tax, which was first introduced in 1963 g/ was again revised with a view to increasing the revenue from this source. First levied on companies which had been in operation in the Territory for over five years and had annual profits exceeding 1 million escudos, it was extended in 1964 to all companies and individuals, including foreigners, with annual profits or incomes above 500,000 escudos. The new revision lowered the level of taxable income to 250,000 escudos and increased all the tax rates by an average of at least 4 per cent.

(c) Security measures and para-military organization

32. Further measures were taken during the year to strengthen the activities of the public security police and to extend para-military organizations which now cover almost all European economic and social groups in urban areas as well as those in industrial and agricultural activities. Also included in some form of para-military organization are all public as well as private employees in certain sectors. Both PIDE and PSP have been expanded.

33. Following the Governor-General's visit to Lisbon in January 1969, PIDE staff in Angola was increased to 1,116 compared with 567 agents in 1966. A number of new PIDE posts were established in 1968 in the eastern districts.

34. According to the Portuguese military bulletins and local press articles, PSP and other forças militarizadas, including the militia, are to play an increasingly more important role in support of the regular armed forces.

35. The Governor-General has warned that the Territory now faces a problem of growing internal "subversion". In order to tighten internal security, the Government required inhabitants in eleven districts h/ to carry a certificate of residence (Despacho No. 12,968, 27 April 1968), and in ten of these districts i/ which were designated "guerrilla" affected zones" agricultural enterprises were required to organize defence measures to protect their installations and personnel (Despacho, 9 April 1968). In May 1968 a special bonus was approved for civil servants assigned to jobs relating to anti-subversion measures (Diploma Legislativo No. 3,825, 22 May 1968).

36. In what appears to be an effort to prevent goods from reaching the guerrillas, security control over the transport of supplies in Cuanza-North District was

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g/ See Official Records of the General Assembly, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V, para. 64, and A/6300/Rev.1, chap. V, para. 106. See also Decree No. 46,112 of 29 December 1964 and Decree No. 48,272 of 11 March 1968.

h/ Zaire, Uíge, Luanda, Cuanza-North, Malanje, Lunda, Cuanza-South, Huambo, Bié, Moxico and Cuando Cubango.

i/ Excepting Huambo, the central plateau district and the main area of European farming.

extended in January 1968 (Despacho, Governo do Distrito de Cuanza Norte, 6 January 1968) to cover cotton blankets, unbleached cloth, rubber shoes, combustibles, mineral oils, pills and flints. Such control measures have been in effect in Cabinda, Cuanza-North, Luanda, Malanje and Zaire since 1964 (Portaria No. 13,504, 24 November) covering medicines and first-aid supplies, cornmeal, flour, beans, ground-nuts, various cereals, fish, meat and edible oils. The transport of such goods has to be reported to the administrative, police and military authorities, and violations are handled by PIDE.

37. Through frequent articles in the local Press, PSP is being built up as an essential element in the every-day life of the Territory. PSP, which is a militarized body under the jurisdiction of the Governor-General, is responsible for securing public order, the prevention and repression of crime, the protection and defence of public property and customs supervision. In addition to general security matters, the PSP is particularly responsible for (i) aiding military authorities as requested by them; (ii) temporary or permanent defence of agricultural, industrial and mining companies, as well as other activities considered as economically relevant; and (iii) the organization of civil defence. PSP includes specialized units of security police, fiscal police, traffic police, ports, railways and transport police, mounted police and rural guard (Decree Law No. 47,360, 2 December 1966). As previously reported (see A/72CO/Add.3 and Corr.1, annex II, para.27), in 1966 the rural guard which used to be part of the OPVDC was transferred to the jurisdiction of PSP. The rural guard, as a permanent branch of PSP, has the responsibility to guarantee, and co-operate in, the defence of agricultural companies and other rural areas of economic interest through supervision, reconnaissance, patrol and essentially military operations.

38. The staff of PSP includes army and air force officers, police and rural guard agents, and physicians and other technical and skilled personnel. All the supervisory posts are reserved for army and air force officers. According to its 1966 statute, the PSP staff includes 10,860 posts of which 10,496 are for police officers. In 1968 (Diploma Legislativo No. 3,816, 27 March), 101 new posts in the rural guard were created.

39. In September 1968, at the swearing in of the new PSP Commander, Colonel João de Madureira Fialho Prego, the Governor-General defined the role of PSP in the following terms: "More in villages than in towns, more in towns than in cities, police action is to be the natural and anticipated complement to military action in defending and assisting the inhabitants. Military action will only be taken as support or extra assistance in emergencies." The Governor-General also stressed the important role of PSP agents in regrouping schemes and their responsibility for organizing militia forces and using them in intelligence missions. He said that the new Commander-General was expected "to increase his forces in the shortest time and accomplish a rapid and efficient occupation of all the inhabited centres of the Territory".

40. In 1968 the existing railway brigades were made part of the military organization in Portugal and in the overseas Territories (Decree No. 48,537, 20 August 1968). Each brigade comprises the railway staff of both sexes divided into two groups: the first echelon includes all those subject to any military obligation and the second includes all others regardless of age or sex. When mobilized, brigade members become subject to military authority, discipline and justice. Members of the first echelon have the military duties of regular military

personnel. A brigade has been organized for each of Angola's four railways: the Luanda Railway, the Moçâmedes Railway, the Benguela Railway and the Amboim Railway.

41. Other para-military organizations in Angola include the OPVDC (see also A/7200/Add.3 and Corr.1, annex II, para. 27), the Volunteer Air Force and the militia corps. According to the OPVDC statute (Decree-Law No. 44,217, 2 March 1962), all public services and industrial and commercial companies considered indispensable to the normal life of the Territory are required to provide for the defence of their staff and facilities at their own expense. The defence activities of these organizations come under the supervision of OPVDC. Soon after the Government extended this requirement to agricultural companies operating in the so-called "affected zones" of the Territory (Despacho, 3 April 1968), the local Press reported the creation of the first private volunteer defence corps on the Rio Caule plantation in the Quiculungo concelho (Cuanza-North District), which is protected by two small forts and equipped with internal and external radio-telephone connexions. In November 1968, a local newspaper carried an advertisement recruiting former military personnel for the volunteer defence corps of a large company in the Amboim concelho (Cuanza-South District).

42. There is also a Volunteer Air Force based in Luanda, which has hitherto been used in the defence of the northern districts. In 1968 it was assigned a second base at Nova Lisboa, capital of Huambo District. From Huambo District, which has been the scene of some guerrilla activity, the Volunteer Air Force may help in the defence of the eastern portion of the Territory. The Volunteer Air Force of Nova Lisboa will be assisted by the district air club.

### Economic conditions

#### (a) General

43. In contrast to 1967, the growing concern with the problem of financing the war dominated the Territory's economy, as military and security expenditures were expected to absorb about one quarter of the Territory's 1968 budget. The Territory's exports remained at substantially the same level as in 1967, and in spite of stringent austerity in government expenditures, it became necessary by the end of the year to find new resources to balance the 1969 budget, which is reported to amount to some 6,000 million escudos. According to the Governor-General, however, in order to pay for the war and related expenses and to ensure economic growth the Territory needs a budget of 10,000 million escudos. The Government hopes that revenues from the petroleum and iron ore concessions, as well as the additional revenue resulting from the revised tax system, will enable it to achieve this goal. Early in January 1969, the concession contract with the Cabinda Gulf Oil Company was revised.

44. It has now become apparent that the anticipated government measures to stimulate economic growth under the Transitional Development Plan have not been fulfilled and the Territory is no closer to a solution of its long-standing economic and financial problems created by its "integration" with Portugal. Published data show that actual government investment under the Transitional Development Plan over 1965-1967 was only one third of the envisaged total for the three-year period, and of this more than half was spent on transport and communications.

45. Furthermore, although the Portuguese Government introduced several measures during the year to improve credit facilities in the Territory and to provide traders in Portugal with export credit, these have not eased the Territory's exchange problem. While the Government hopes that the difficulty will soon be solved by the foreign exchange earnings of petroleum and iron ore exports, there is growing dissatisfaction in Angola with the measures being taken for the economic integration of Portugal and the Territories. To date they have mainly benefited Portugal at the expense of higher tax burdens on the people in Angola. The final resolution of the Second Round Table Discussions on Industry which were held in Lisbon in December 1968 called on the Government to review the legislation affecting economic integration and especially to revise the legislation regulating industrial activities in the Portuguese realm (see annex I above, para. 74).

(b) External trade and payments

46. Provisional figures for 1968 show that, although the Territory's total trade was only slightly higher than in 1967 (valued at some 15,000 million escudos compared with 14,700 million escudos in 1967), exports and imports were practically balanced at 7,500 million escudos. The improvement of the trade balance, however, was due mainly to a 5 per cent reduction in imports as a result of lower purchases of capital goods, especially mining equipment. However, imports of consumer goods supplied by Portugal continue to increase, especially textiles, wines and food-stuffs.

47. Coffee exports rose only slightly, from 3,500 million escudos in 1967 to 3,800 million escudos in 1968. Cotton-lint exports increased by more than 50 per cent from 102.5 million escudos in 1967 to nearly 180 million escudos in 1968. However, as a result of the increase in mineral exports, the share of agricultural products in the Territory's exports was only 55 per cent of the total value of visible exports, compared with 65 per cent in 1967.

48. Mineral exports rose from 23 per cent of the value of total exports in 1967 to some 30 per cent of total exports in 1968. Although diamond exports rose slightly above the 1967 level to 1,667 million escudos, most of this increase was from iron ore and petroleum exports which together were valued at some 900 million escudos. Iron ore did not become the Territory's second major export after coffee in 1968, as had been expected (see A/7200/Add.3, chap. VIII, annex II, para. 123), but for the first time iron ore exports, at 466 million escudos, ranked as Angola's third export after coffee and diamonds.

49. Portugal remains the Territory's most important client, taking over 40 per cent of its exports, followed by the United States of America. As clients for the iron exports, Japan, the Federal Republic of Germany, Belgium-Luxembourg and the United Kingdom of Great Britain and Northern Ireland increased their share in the Territory's trade in 1968.

50. There were further efforts during the year to improve trade between Angola and South Africa. Following the visit of a trade mission organized by the Handelsinstitut of South Africa, an agreement was reached to set up a joint committee of commerce and industry representatives from South Africa and Angola to guide future economic co-operation between the two countries. The Handelsinstitut mission is reported to have assured the territorial government that South Africa wished to offer all services at its command to help the future

economic development of Angola, including capital investment and technical assistance. In June 1967, South Africa appointed its first trade representative to Angola, and in November 1968 decided to strengthen its trade office in Luanda by appointing a second representative.

51. In a move to increase its exports to Angola, the South African Foreign Trade Organization is planning to send a floating trade exhibition on a cargo ship to Angola in May 1969. The immediate prospects for the expansion of trade between Angola and South Africa, however, appear to be limited partly by the similarity of key products and partly because of the economic integration of the Territories with Portugal, under which Portugal has priority in regard to their exports and is their major supplier of imports.

52. There is no information on the Territory's balance of payments in 1968. In 1967, the deficit of balance of payments with Portugal was 897 million escudos - 32 million escudos more than in 1966.

(c) Agriculture and livestock

53. According to data available so far, agricultural production in 1968 was lower than in the previous year due mainly to a sharp drop in the output of three of the main crops, namely, coffee, sisal and sugar. There was, however, a significant increase in the output of European-grown tobacco and mechanized cotton. There was no significant change in the output by Africans. The volume of maize purchased from African growers remained at the same level as that of 1967.

54. Coffee. In the 1968 season (1 October 1967-30 September 1968), Angola's coffee output dropped by 13 per cent from 234,000 to 204,000 tons. This was due mainly to the lack of rain in the main producing areas: Dembos, Golungo Alto and Uíge. Increased guerrilla attacks on plantations in 1968 may also have accounted for the decline in coffee production. Although the volume of coffee exports was also slightly below the 1967 level (192,000 tons in 1968 compared with 199,000 tons in 1967), favourable prices raised the value of coffee exports in 1968. For the 1967-1968 season, Angola was Africa's second largest producer, ranking fourth in world coffee producers after Brazil (1,980,000 tons), Colombia (474,000 tons), and the Ivory Coast (270,000 tons).

55. Final figures on coffee traded by Africans in rural markets are not yet available, but periodical reports issued during the year indicated an increase in output by African growers, with a further increase expected from cultivation by the indigenous population resettled under military supervision.

56. Cotton. Seed-cotton output in 1968 rose to an all-time high of some 45,000 tons valued at some 230 million escudos, compared with 27,000 tons in 1967. Most of 1968 output came from European growers on mechanized farms which have increased in recent years with government encouragement. In the Malanje District, European growers who are members of the Cooperativa dos Agricultores de Malanje (Malanje Growers Co-operative) received 400 escudos more per ton of seed-cotton than in 1967. About 44 per cent of the total output (20,000 tons) was from the Malanje region.

57. Cotton-lint exports, all of which went to Portugal, were estimated at 8,500 tons valued at 180 million escudos. This was the largest volume of cotton-lint exported since 1960 when it was 8,894 tons valued at 146.4 million escudos.

58. In 1968, the Fábrica de Tecidos de Luanda (Textang) which is owned by the Sociedade Algodoeira de Fomento Colonial j/ was authorized to increase its production of cotton textiles from 1,200 to 1,800 tons a year. As a result of this expansion, the textile factory expects to employ 200 new workers. In 1967 the Territory's total production of cotton textiles amounted to 167 million escudos; imports of cotton textiles amounted to 437 million escudos, of which 386 million escudos were from Portugal.

59. Sisal. In the last few years the decline in the international market for sisal has led Angolan growers to cut back production, to increase local processing and to diversify. As a result, sisal exports dropped from 61,005 tons in 1966 to 47,118 tons in 1967 valued at 194 million escudos. In 1968, however, sisal output rose to an estimated 58,100 tons which was 300 tons above Angola's export quota under the Rome fibre agreement k/ (see A/7200/Add.3 and Corr.1, annex II, para. 56).

60. In Ganda, one of the Territory's main sisal growing areas, l/ the growers have established a company to replace sisal by other crops on their plantations. The main crops to be cultivated are cotton, tobacco, eucalyptus and sunflowers; cattle-raising will also be considered.

61. Sugar. Sugar output in 1968 was so low that Angola was authorized to import 2,000 tons from foreign countries for domestic consumption. In an average year such as 1967, the output of Angola's four sugar mills was 67,035 tons of which 26,270 tons were exported to Portugal and other overseas Territories.

62. In 1968 the Government authorized two sugar mills to increase their capacity with a view to increasing the sugar output to 140,000 tons a year by 1980 so that the Territory can meet its own needs as well as the quota to be supplied to Portugal. The Companhia do Assucar de Angola (CAA), which is the Territory's main sugar producer, and in 1967 accounted for over 45 per cent of total production, has been authorized to invest 130 million escudos to expand its sugar production at Dombe Grande and to increase the capacity of the mill to 1,500 tons of sugar cane a day. At the Tentative plantation of the CAA, cane production dropped, reportedly as the result of two guerrilla attacks and the flooding of the Dande River.

63. The Sociedade de Comércio e Construções, S.A.R.L. was also authorized in 1968 to expand its production gradually at the Bcm Jesus mill from 6,000 to 70,000 tons a year by 1980. An investment of 320 million escudos is planned for this expansion, which is expected to create some 4,000 to 5,000 new jobs in the expansion of sugar-cane cultivation and some 400 to 500 new jobs in the industrial sector.

64. Tobacco. Tobacco output in the 1968 season was expected to reach some 9,000 tons compared with 6,000 tons in 1967 and 7,000 in 1966. The increased output has resulted from government efforts to develop tobacco as a new cash crop (see A/7200/Add.3, chap. VIII, annex II, paras. 65-67) and to replace Southern Rhodesia as a supplier of flue-cured tobacco. The Sociedade Exportadora de Tabacos de Angola, Ida. (SETA), an organization representing the Universal Leaf

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j/ For details, see A/6300/Rev.1, chap. V, annex, appendix II, para. 138 and ff.

k/ This agreement was reached by the Study Group on Hard Fibres, a sub-group of the Committee on Commodity Problems, of the Food and Agriculture Organization (FAO) during its meeting in Rome from 18 to 22 September 1967.

l/ For details on sisal cultivation in Angola, see A/6300/Rev.1, chap. V, annex, appendix II, para. 73 and ff.

Tobacco of the United States and Portuguese interests, holds a marketing monopoly over the output from the Territory's main tobacco grower co-operatives, which are known as Tabangola and Cotaquilola.

65. Maize. Unlike the other export crops, production figures are still not available for maize, which is mainly grown by Africans as a food crop in the central plateau area; only the surplus is sold for local milling or export. Although the amount purchased each year does not necessarily reflect total production, it is nevertheless the only available indicator.

66. In 1967, the maize Grémio<sup>m/</sup> purchased 116,440 tons from the Huambo, Bié, Huíla and Moçâmedes Districts, and exported 100,753 tons at a value of 174.2 million escudos. Most of this went to Portugal and the overseas Territories whose requirements must first be met, (95,300 tons to Portugal; 3,800 tons to Cape Verde; and 1,640 tons to São Tomé and Príncipe).

67. Apart from the maize produced in the plateau area which is purchased by the Grémio, that produced in other areas is sold in the rural markets at prices fixed by the Government; in 1967 these varied from 0.90 to 1.00 escudos per kilo for selected grade; 0.70 to 0.80 escudos per kilo for mixed grade and 0.60 to 0.70 escudos for the lowest grade.

68. As previous reports have shown, the Government has made some efforts to help African farmers, but for the most part these measures, in contrast to the assistance provided to European settlers and farmers, have been limited to providing better seed and storage facilities to prevent spoilage. In 1967, government assistance to African maize growers consisted of 917 tons of seed distributed to 7,775 maize growers in Huíla District. According to one study, in the Huambo-Bié area alone which covers 450 kilometres along the Benguela Railway and 150 kilometres on either side, there are some 490 hamlets with a total population of about 1,180,000. Assuming that the average family has six members, there would be some 200,000 families, so that even if all the assistance went to this area, it served only one in every thirty families.

69. As previously reported, increases in agricultural production since the early 1950s have been confined mainly to European-grown and controlled cash crops, especially coffee and sisal which rose sharply, while production of most of the traditional African food crops has steadily declined (A/6300/Rev.1, chap. V, part II, annex, appendix II). One of the main reasons for this has been the low prices fixed by the Government. A recent study showed that in the Huambo-Bié region, from which 116,000 tons of maize were purchased in 1967, some 237 maize dealers handled almost half of the purchases, while the per capita income from maize to the African growers amounted to only 68 escudos for the year. So far, it appears that the Government has made little effort to introduce new farming techniques and cash crops to African growers in this area.

70. In 1968, the budget of the Institute of Cereals, which has responsibility for improving production and introducing new crops, was 268.2 million escudos, but of which only 15.8 million escudos was for improving productivity. Some 200 million escudos was for the "extraordinary expenditure" of buying wheat and flour mainly for the European population; 22.9 million escudos for salaries; and only

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<sup>m/</sup> The Grémio dos Comerciantes e Exportadores de Milho de Angola. For a description of the general system of government controls over agricultural crops, see A/6300/Rev.1, chap. V, part II, annex, appendix I, and, on maize, see appendix II, para. 155 ff.

2.2 million escudos for marketing operations, transportation, provision of warehouses and other services which could directly benefit Africans. In 1968, the Institute of Cereals became responsible for the development of sunflower cultivation in the Territory, which has been under experimentation as an alternative crop to coffee (Portaria No. 23,262, 7 March 1968). Although certain areas are suitable for wheat production, the Territory has to import this crop for local consumption. In 1968, the Government authorized the tax-free import of some 23,000 tons of wheat for domestic consumption. n/

71. Bananas. For many years the Government has tried to encourage bananas as a new cash crop in Angola and Mozambique (see A/6700/Rev.1, chap. V, para. 148). In 1966, banana exports were expected to amount to some 30 million escudos, compared with 12 million escudos in 1967. During the summer months, the Government lifted taxes and surtaxes levied on banana and pineapple exports to encourage the export of these fruits to Portugal. o/

72. Rice. Most of the rice output, which totalled 20,000 tons in the 1967/68 season, is locally consumed. Some 10 per cent of the total output is exported, mainly to Portugal.

73. Timber. A new timber company was set up at Cuangar on the border with Namibia. The new mill was expected to increase the local supply and export of timber in 1968. Timber exports in 1967 were 94,000 tons valued at 123 million escudos. Some 80 per cent of timber exports usually go to Portugal.

74. Livestock. The latest livestock census of Angola was taken in 1962 (see A/6700/Rev.1, chap. V, para. 150). According to revised estimates, in 1967 there were over 2 million head of cattle in the Territory. The largest livestock population is in Huíla District in southern Angola where the Government is planning the expansion of ranching activities in conjunction with the Cunene River irrigation project.

75. In 1967 some 2,400 tons of meat valued at 41.5 million escudos was exported, over 90 per cent going to Portugal. In 1968 a United States firm was granted a concession to raise 500,000 head of cattle on the highland plateau in the northern part of Angola and to establish a meat packing factory.

#### (d) Settlement

76. The new agreement signed between Portugal and South Africa for the development of the Cunene River Basin (see annex I above, paras. 88-90) is reported in the Portuguese Press as opening up possibilities for the large-scale settlement of the southern part of Angola.

77. The new scheme, which centres on the construction of the Gove dam on the upper Cunene about 100 kilometres south of Nova Lisboa, also envisages the irrigation of three large areas for agricultural development and cattle raising

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n/ Portarias No. 15,600 (28 June 1968), No. 15,632 (25 July 1968) and No. 15,638 (29 July 1968).

o/ Portaria (Portugal) No. 23,578 (4 September 1968) and Portaria No. 15,577 (14 June 1968).

activities. A total of 125,000 hectares is to be developed with irrigation: 93,000 hectares in the Matunto area, between Mulondo and Roçadas; 18,000 hectares in the Cova do Leão area on the right bank of the Caculuar River; and 14,000 hectares in the Catembulo area on the left bank of the Colui River. These areas are to be divided into 20-hectare farms for the cultivation of maize, wheat, tomato, tobacco, cotton and kenaf.

78. Each farm is expected to make an average annual gross profit of 56,000 escudos. An article in a local periodical reports that the settlement scheme involves the instalação of 6,233 agricultural families (casais agrícolas), the fixação p/ of 37,000 persons and the "use" of 73,000 workers. It may be noted that the total area of irrigated land will just be enough to provide the 6,233 families each with a 20-hectare farm.

79. The plan also envisages supplying water for cattle raising to 173,000 hectares at Catembulo, 93,000 hectares at Matunto and 87,000 hectares at Cova do Leão. The plan provides for the regrouping in this area of Africans engaged in cattle raising. Under the first phase of the new agreement, 20,000 hectares will be available for cultivation as a pilot project to assess the public interest, the capital investment available, and the labour situation. In addition, 87,000 hectares of pasture land will be supplied with water.

80. In 1968 the Provincial Settlement Board established a 2-year course to train ex-soldiers as social workers (Curso de Educadores Sociais), with a view to encouraging the settlement of military personnel who have served in Angola (see A/7200/Add.3 and Corr.1, annex II, para. 94). Candidates are required to have completed five years of academic secondary school; they are paid a monthly grant of 3,200 escudos and are automatically employed by the Settlement Board at the end of the course. The board plans to use the new social workers in its "social action" services and in "mobile teams for community development".

#### (e) Industry

81. In 1967 the output of the industrial sector continued its upward trend, reaching a total value of almost 4,000 million escudos. The rate of growth, however (7.8 per cent), was lower than the average annual increase of 13 per cent over the period 1962-1967. Authorized investments totalled 724 million escudos compared with 567 million escudos in 1966, while actual investments rose by 184 per cent, from 226 million escudos to 642 million escudos. The largest share of the new investments went to the paper industry (43 per cent), followed by rubber products (17 per cent) and food-stuffs (17 per cent).

82. In terms of production, food-stuffs accounted for 29 per cent of the gross value, beverages 13 per cent, and textiles 12 per cent. Petroleum derivatives contributed only 10 per cent to the total output of the year. The percentage contribution from other industries included: chemicals, 11.6; tobacco, 6.9; non-metallic industries, 6.7; paper industries, 3.8; meat industries, 2.8; metal products, 2.8; and others, 1.4.

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p/ The term "fixação" is generally applied to the regrouping of the African population into organized units to facilitate administration and the provision of water supplies and other facilities.

83. For the first six months of 1968 the industrial output totalled 2,000 million escudos.

84. The Government continues to be concerned about the concentration of industries in the main urban centres, particularly in Luanda. In 1968, the Agricultural and Livestock Credit Bank of Angola was authorized to grant loans to industries (Decree No. 48,243, 19 February) pending the establishment of facilities for industrial credit in the Territory. The bank also received 105 million escudos for operating expenses. This sum was a part of the 500 million-escudo DIAMANG loan made to the Government in 1967 (see para. 92 below). Since its establishment in 1961, the Credit Bank has only granted loans for agricultural purposes. The Governor-General also announced his intention to introduce new measures to stimulate the establishment of industries in the interior of the Territory and near the border areas. So far, the only new industrial complex that has been established along one of the border areas, is a timber mill (see paragraph 73, above).

#### (f) Fisheries

85. As previously reported (see A/7200/Add.3, chap. VIII and Corr.1, annex II, paras. 102-104), the fishing industry in Angola experienced serious difficulties in 1967 as a result of increased taxes and the drop in the world demand for fish meal. Reflecting the unfavourable conditions, the fish catch dropped from 330,000 tons to 290,000 tons in 1967, and exports of fish derivatives dropped from 440.9 million escudos to 287 million escudos.

86. One of the main problems is the lack of local funds for the renovation of the fishing fleet and the modernization of fisheries equipment. During 1967, a deep freeze vessel was added to the Angola fishing fleet and a new fish meal factory was established. At the end of 1967, Angola's fishing fleet comprised only 834 vessels, compared with 914 in 1966. These included 239 trawlers of more than 12 metres of length, 71 smaller trawlers, 3 high-sea trawlers, 436 drifters and 85 shore trawls.

87. In April 1968 (Decree No. 48,341, 18 April), the Government authorized the Fishing Industry Assistance Fund to borrow from the Bank of Angola and the Postal Savings Bank in order to liquidate the debts incurred by the fishing industry.

88. During the year difficulties continued in the fishing industry and the question became further complicated by competition from Portuguese fishing interests and a move to reduce the Territory's rights to build new fishing vessels and to establish new fisheries (see annex I above, para. 73).

89. Preliminary data for 1968 indicate that there was some increase in the exports of fish meal which rose to 140 million escudos, compared with 129 million escudos in 1967 and 220 million escudos in 1966.

#### (g) Mining

90. In the past few years, following the discovery of new mineral deposits, considerable capital has been attracted to mining and prospecting, particularly of petroleum and iron ore. The four most important mining concerns in the Territory are the Angola Diamond Company, the Cabinda Gulf Oil Company, the

Angol-Petrangol joint venture and the Companhia Mineira do Lobito. All these concerns are mainly owned or financed by foreign capital. As reported last year (see A/7320/Add.1, appendix III, para. 10), the new capital in petroleum and iron ore alone that has been committed over the period 1964-1968 is probably close to 10,000 million escudos. Although all the diamonds and iron ore and a major part of the crude petroleum are exported, the Territory receives a share in the mining profits and derives benefits from the foreign exchange earnings.

91. Diamonds. Although the Angola Diamond Company (DIAMANG) reported the discovery of nine new diamond deposits in 1967, its output that year was only 1,288,501 carats and exports were 1,315,890 carats, valued at 1,204 million escudos, accounting for approximately 17.6 per cent of the value of the Territory's total exports. Provisional figures for 1968 show that there was little change in the quantity and value of diamonds exported (1.3 million carats valued at 1,204 million escudos); however, the share of diamonds in the total exports dropped to 16 per cent.

92. DIAMANG's gross profits for 1967 were 526.1 million escudos, up 5.73 per cent over 1966. Net profits, after the deduction of the Government's share of profits and the contribution to national defence, were 234.3 million escudos. Dividends at the rate of 135 escudos per share, amounted to 236.8 million escudos. For the payment of dividends the company used some of its undistributed profits from the previous year. The total revenue received by the Angolan Government from DIAMANG was 273.1 million escudos, of which 234.3 million escudos was its statutory share in the company's profits, 27.0 million escudos was dividends on shares held by the Territory and 11.8 million escudos was the company contribution to national defence. q/ In September 1967 (Decree-Law No. 47,904, 6 September) the Government received a loan of 500.0 million escudos from DIAMANG bringing the Territory's debt to DIAMANG to 726.9 million escudos. In addition, DIAMANG's holding of Angola development bonds was 100.0 million escudos at the end of 1967.

93. Because the new petroleum and iron ore mining contracts are more favourable to the Government, there has been considerable criticism of DIAMANG's contribution to the Territory's economy. An editorial published in Actualidade Económica (Luanda), of 16 January 1969, for instance, pointed out that the company's financial contribution to the Territory compared unfavourably with the iron ore and petroleum mining activities. The editorial also criticized DIAMANG for charging interest on loans to the Territory. The company's monopolistic activities, the editorial asserted, had also resulted in a decline of African agriculture in Lunda District, and the privileges which DIAMANG enjoyed were no longer compatible with the present day interests of the Territory.

94. In 1968, Anchor Diamonds Corporation of South Africa was granted a concession by the Portuguese Government for prospecting, mining and exploiting precious stones in certain areas of Angola (see A/7200/Add.3, chapter VIII, annex II, para. 114). No further details are available on the Anchor concession. In November 1968 the establishment of a new mining company representing Portuguese, South African and United States interests was announced. The new company, known as Companhia de Minérios do Ultramar, with a capital of 150 million escudos is to prospect for diamonds.

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q/ For details on the company contribution to national defence, see A/7320/Add.1, appendix III, para. 56.

95. Petroleum. In 1968, petroleum concessions in Angola were held by the Cabinda Gulf Oil Company, a wholly owned subsidiary of the United States Gulf Oil Corporation, and the Petrangol-Angol group which is largely owned by Belgian and Portuguese interests. Operating in association with Petrangol-Angol was the Compagnie Française des Pétroles of France. r/

96. In 1968, total crude petroleum production was expected to exceed 900,000 tons, compared with 537,152 tons in the previous year, and exports were estimated around 120,000 to 150,000 tons. Petrangol-Angol was the main producer as output from the Cabinda Gulf Oil Company began only in late November. No figures are available for the 1968 output of the Luanda refinery which in 1967 processed 629,110 tons of crude petroleum, of which 93,629 tons were imported. In 1967, exports of refined petroleum products amounted to 85,298 tons valued at 29.8 million escudos of which 74,003 tons of fuel oil worth 26.1 million escudos went to Portugal.

97. Among companies acquiring or requesting new petroleum concessions during 1968 were the Companhia de Minérios do Ultramar, which, as reported above, is owned by Portuguese, South African and United States capital, and the Investment Corporation of South Africa (Bonuskor) in association with other South African companies. In 1968, the Induscom International, a Bonuskor subsidiary, obtained an option from Angol to investigate participation of South African companies with the Petrangol-Angol association in petroleum production in the eastern Cuanza basin. South African participation would include a 15 per cent share in the production of wells already producing and 25 per cent in the production of new findings. A South African investigating group, including an American oil geologist, visited Angola towards the end of the year, but details are not yet available.

98. Early in 1969 two further contracts were signed involving foreign investments in petroleum. One contract authorizes a subsidiary of the United States Texaco Oil Company to participate in the Petrangol-Angol prospecting concessions. This subsidiary, known as Texaco Petróleos de Angola, is to share in the prospecting of the continental shelf and off-shore areas of the concessions of both Petrangol and Angol. s/

99. The other contract, signed in January 1969, revises the previous contract with the Cabinda Gulf Oil Company. Under its previous contract, t/ Cabinda Gulf Oil was required to invest a minimum of 300 million escudos between 1967 and 1970 and thereafter to release each year that part of its concession where no oil had been found. By January 1967 the company had already spent 1,000 million escudos in the Territory and, by January 1969, new programmes under way amounted to 1,500 million escudos. The Government has therefore decided to extend the company's prospecting rights over the full original area. The contract provides for a higher rate

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r/ For details of these companies and their activities, see A/7320/Add.1, appendix III, paras. 11-34.

s/ For details of the concessions of each company in the joint venture, see A/7320/Add.1, appendix III, paras. 16-22. Details of the Texaco contract are not yet available.

t/ Official Records of the General Assembly, Annexes, agenda item 24 (A/6868/Add.1), appendix III, paras. 47-48.

of surface rent of areas under concession and a larger annual contribution to the Mining Development Fund. The Territory also is entitled to require the company to make advanced payments of the revenues due, without any interest charges. The company is to give preference to the Portuguese industry in the purchase of goods and is to increase the participation of Portuguese personnel in the work of the concessionaire and its contractors. A number of other revisions are expected to increase the Territory's total income from the oil operations. On signing the new contract, the Government of Angola received a bonus of 155 million escudos from the Cabinda Gulf Oil Company.

100. As previously reported (A/7200/Add.3, and Corr.1, annex II, para. 116), according to the original estimates, the Cabinda Gulf Oil Company had expected the annual output to rise to 7.5 million tons in 1970. In 1968, further oil deposits were discovered and it is now expected that production will reach 15 million tons a year by 1973. This would bring Angola's petroleum to about 1 per cent of the world output at the current rate.

101. Iron. In 1968, Angola exported over 2 million tons of iron ore valued at some 700 million escudos. The iron exports went to Portugal, France, the Federal Republic of Germany, Japan and the United Kingdom.

102. All the output was from the Cassinga mines of the Companhia Mineira do Lobito. With the installation of new mining equipment, ore output is expected to exceed 5 million tons in 1969. Under an agreement between the French steel mill Usinor and the Companhia Mineira do Lobito, Angola will supply the French mill with 2 million tons of iron ore from Cassinga over the next five years.

103. In May 1968, the Sociedade Mineira do Lombige, which originally held the concession of the Cassinga mines, merged with the Companhia Mineira do Lobito u/ (Decree-Law No. 48,380, 11 May). In December the Company was authorized to issue shares for sale to the public on condition that Portuguese nationals must have a majority (Decree No. 48,544, 26 December 1968). Following the merger, the Companhia Mineira do Lobito was granted, in January 1969, a loan amounting to 560 million escudos. Out of the total, 140 million escudos will be financed by a consortium formed by Bankers Trust Co. of London, the Lavoro Bank A.G. of Zürich and the Monte dei Paschi di Siena of Italy. The remainder will be financed by two German banking consortia, one led by the Deutsche Union Bank of Frankfurt and the other by the Hamburgische Landesbank of Hamburg.

104. As part of improvements to the Moçâmedes Railway which transports ore from Cassinga to the port, two new rail links were under construction in 1968 at a total cost of 113 million escudos. The Caraculo link, which is expected to come into operation by March 1969, will cost 55 million escudos. A 48-kilometre extension of the Chela branch will cost 58 million escudos. These extensions will increase the railway freight capacity by 20 per cent. v/

105. In December 1968, the Siderurgia Nacional, Portugal's national metalworks, which already owns a metal plate manufacturing plant in Luanda for the production

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u/ For details on these companies, see A/6000/Rev.1, chap. V, annex I, paras. 201-211.

v/ For details on the Moçâmedes Railway, see A/6300/Rev.1, chap. V, appendix IV, para. 13.

of steel and pig iron (see A/7200/Add.3 and Corr.1, annex II, para. 124) applied for authorization to establish a steel plant in Angola with an initial capital of 420 million escudos. The plant is to have an initial capacity of processing 90,000 tons of pig iron and 120,000 tons of steel a year. Electric power will be supplied from the Cambambe dam.

106. Other developments. In December 1968, Tenneco Angola, Inc. of Houston, Texas (United States), was granted an exclusive concession over 108,460 hectares to exploit sulphur deposits in Angola (Decree No. 48,825, 31 December 1968). The discovery of deposits of nickel and tin were reported respectively in Huíla and Malanje Districts. The Companhia Mineira do Lobito reported the discovery of substantial gold deposits in the N'bobo region of its Cassinga mines.

(h) Public finance

107. In 1967, actual ordinary revenue was 5,173.5 million escudos, which exceeded budgetary estimates by 35.3 million escudos. Extraordinary revenue for the year, however, at 1,034.6 million escudos, was 425.7 million escudos less than originally estimated. Thus, total revenue for 1967 was some 6 per cent below the original budgetary estimates.

108. The consumption tax on imported wines was revised and extended to other imported beverages and luxury goods in 1967 (Diploma Legislativo No. 3,754, 28 August). Income from the consumption tax on imported wines for the first eight months of 1967 amounted to 59.9 million escudos, whereas income from the revised tax for the last four months of the fiscal year following its introduction amounted to 105.3 million escudos. Other major sources of additional revenue were the tax on consumption of petroleum products (88 per cent increase over 1966) and the extraordinary defence tax (45 per cent increase over 1966).

109. Ordinary expenditure in 1967 was 651.8 million escudos more than in 1966, thereby exceeding the estimates by 14 per cent. Defence expenditures amounted to 862.4 million escudos, 255.5 million escudos more than in 1966 and 80.4 million escudos above budgetary estimates for the year. On the other hand, extraordinary expenditure amounted to 1,059.4 million escudos which was 9 per cent below estimates; this saving resulted from reduced investments under the Transitional Development Plan (see below).

110. According to the 1967 report of the Bank of Angola, at 31 December 1967 the Territory's public debt amounted to 5,015.7 million escudos. During 1967, the Territory's public debt rose almost 10 per cent as a result of a further borrowing of 475 million escudos, w/ including 200 million escudos from two new issues of Angola's development bonds *Obrigações do Tesouro de Angola*, 5 por cento, 1965, *Plano Intercalar de Fomento para 1965-1967* (Portaria No. 22,470, 17 January 1967), 115 million escudos from Petrangol and 160 million escudos from the Portuguese Government (Ministry of Finance). The amount for servicing the public debt in 1967 was 261.7 million escudos which was 26 million escudos (10 per cent) below the estimates.

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w/ This did not include a 500-million escudo loan from DIAMANG. See para. 91. above.

111. Ordinary budget estimates for 1968 with revenue and expenditure balanced at exactly 5,164.8 million escudos showed an increase of 917.3 million escudos over 1967 estimates (Diploma Legislativo No. 3,794, 24 January 1968). The main sources of increased revenue in 1968 were the production and consumption tax (some 113 million escudos above the previous year), consumption tax on petroleum products (104 million escudos above the previous year) and tax on petroleum industries (54 million escudos above the previous year). Among specific allocations, apart from defence and security, were 1,193.9 million escudos for general administration (of which 334.9 million escudos for education); 695 million escudos for ports, railways and transport; 204.3 million escudos for the Roads Board; and 190 million escudos for the Settlement Board. Extraordinary budget estimates for 1968 were 1,461 million escudos, of which 1,346 million escudos for the implementation of the Third Development Plan (for comparison with previous years, see table 1).

112. In 1968, 322.7 million escudos was earmarked for servicing the public debt. New loans raised during the year included 400 million escudos from four series of Angola development bonds, and 84.9 million escudos from Portugal's loan agreement with the General Trade Company of Geneva.

113. In January 1969, during his visit to the Territory, the Overseas Minister authorized a further loan of 500 million escudos from the Bank of Angola. The interest rate on this loan is 2.5 per cent a year and the principal is payable in fifteen annual instalments due from December 1974 on; the amortization of interests and principal is to be covered by the Territory's ordinary budget.

114. As reported in the Press, the Territory's 1969 estimated ordinary budget amounts to 5,994.2 million escudos. As shown in table 1 B below, the main increases in expenditure are for government services, development services and the servicing of public debt. Although ordinary expenditure on the armed forces shows a decrease of 173.4 million escudos, in practice, since 350 million escudos will be included in the extraordinary budget for this purpose, the increase in total expenditure on armed forces amounts to 176.6 million escudos.

Table 1

## Angola: Public finance

A. Revenue, budget estimates  
(million escudos)

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Ordinary revenue	2,036.4	2,459.5	3,685.3	3,780.6	4,298.1	4,489.1	4,247.5	5,164.8	5,994.2
of which:									
Direct taxes	370.4	575.5	593.2	596.1	641.9	683.1	656.5	728.3	831.0
Indirect taxes	518.2	644.8	760.5	887.4	957.1	1,015.3	996.3	1,223.5	1,411.6
Special régime industries	152.1	203.8	228.5	257.4	274.0	299.1	372.2	563.3	954.6
Income from services	45.6	85.7	64.2	82.3	92.8	122.2	87.3	207.6	259.7
Income from State and private industries	175.4	182.6	121.5	194.6	210.6	282.3	269.7	257.0	262.9
Income from shares	28.0	33.2	16.6	34.4	26.2	46.3	37.9	34.0	58.7
Refunds	45.1	52.8	60.1	72.0	76.9	82.7	129.5	130.6	102.8
Consigned receipts	701.6	680.9	1,840.7	1,656.4	2,017.7	1,958.1	1,698.1	1,957.5	2,049.9
Extraordinary revenue	<u>1,196.0</u>	<u>911.2</u>	<u>1,205.8</u>	<u>862.3</u>	<u>940.8</u>	<u>1,161.4</u>	<u>1,274.9</u>	<u>1,461.0</u>	<u>517.0</u>
Total	3,232.4	3,370.7	4,891.1	4,642.9	5,238.9	5,650.5	5,522.4	6,625.8	6,511.2

Table 1 (continued)

B. Expenditure, budget estimates  
(million escudos)

	1961	1962	1963	1964	1965	1966	1967	1968	1969
Ordinary expenditure of which:	1,891.2	2,099.4	3,465.5	3,399.8	4,028.3	4,187.4	4,247.5	5,164.8	5,994.2
Public debt	77.2	83.4	111.6	128.6	208.9	231.5	287.7	322.7	469.0
Government	10.8	10.4	10.3	13.0	13.1	12.9	16.4	17.8	21.6
Pensions	43.6	45.0	46.3	46.6	46.2	46.1	60.0	65.0	75.0
General administration	339.0	440.3	498.7	563.7	711.6	806.8	945.8	1,193.9	1,554.3
Treasury	77.7	82.9	93.7	99.5	81.9	91.2	113.5	125.7	157.6
Justice	26.7	33.8	42.5	48.8	52.3	61.9	71.5	82.5	103.8
Development services	683.5	702.8	1,428.6	1,437.5	1,607.5	1,503.4	1,203.7	1,593.8	1,962.2
National defence - armed forces	203.8	220.0	404.6	443.3	615.9	607.0	782.0	800.9	627.5
Navy Department	13.4	14.6	15.0	17.5	19.3	22.8	25.1	27.4	31.0
General expenditures	409.3	458.0	800.7	595.6	661.9	795.9	735.7	926.9	983.4
Other	6.2	8.2	13.5	5.7	9.7	7.9	6.1	8.2	8.2
Extraordinary expenditure of which:	1,226.5	928.4	1,207.0	875.5	940.8	1,163.7	1,274.9	1,461.0	...
Development plan	748.1	602.8	872.6	645.7	752.4	844.0	1,137.5	1,346.0	...
Other	478.4	325.6	334.4	229.8	188.4	319.7	137.4	115.0	...
Total	3,117.7	3,027.8	4,672.5	4,275.3	4,969.1	5,351.1	5,522.4	6,625.8	...

Source: Angola. Diploma Legislativo No. 3,794, 24 January 1968. For extraordinary revenue and expenditure in 1967 and 1968, Banco de Angola. Relatório e Contas, 1967. For 1969, Revista de Angola, No. 186, 28 February 1969.

(i) Development financing

115. Transitional Development Plan, 1965-1967. The published accounts of the plan show that actual expenditures totalled 2,372.2 million escudos and amounted to about one third of the original target of 7,210 million escudos. More than 60 per cent of the funds actually expended were obtained through loans as is shown in the following table:

<u>Financing</u>	<u>Actual expenditure (million escudos)</u>	<u>Percentage of actual expenditure</u>
Loans	1,469.8	61.90
Portuguese Government	659.8	27.80
Angola development bonds	595.0	25.10
Local <sup>a/</sup>	209.8	8.85
Credit institutions	5.2	0.15
Budgetary surpluses	596.3	25.15
<u>Sobrevalorização</u> export tax	266.1	11.25
2.5 per cent Development Fund tax on exports	40.0	1.70
Total actual expenditures	2,372.2	100.00

a/ Petrangol, 205.9 million escudos; DIAMANG, 2.7 million escudos; Benguela Railway, 1.2 million escudos.

116. The following table shows actual expenditure by sector during the 1965-1967 period, compared with original targets:

Table 2

Angola: Implementation of the Transitional Development Plan, 1965-1967

<u>Item</u>	<u>Original targets</u>	<u>Actual expenditures</u>	
	(million escudos)	(million escudos)	(percentage of original target)
Research and survey of the Territory	248.0	182.1	73.43
Agriculture, forestry and livestock	640.0	383.3	59.89
Fisheries	370.0	72.7	19.65
Electric power	850.0	255.5	30.06
(Mining)	150.0	103.9	69.27
(New industries)	1,418.0	-	-
Industry (Sharing in investment companies)	500.0	-	-
Transport and communications	1,930.0	1,056.3	54.73
Tourism	24.0	5.1	21.25
Housing and local improvements	260.0	96.1	36.96
Social improvement (Education)	540.0	107.8	19.96
(Health)	250.0	82.0	32.80
(Radio broadcast)	30.0	27.4	91.33
<u>Total</u>	7,210.0	2,372.2	32.90

Sources: Portugal. Presidência do Conselho, Plano Intercalar de Fomento para 1965-1967, vol. II; Banco de Angola, Relatório e Contas, 1967.

117. Third National Development Plan. Although the envisaged investment target for the first year of the Third National Development Plan 1968-1973 in Angola had been set at 5,504.6 million escudos (see A/7200/Add.3 and Corr.1, annex II, para. 149), the initial authorized expenditures amounted to only 1,346 million escudos as follows: 690.6 million escudos for transport and communications; 163.5 million escudos for education; 149 million escudos for extractive and transforming industries; 143 million escudos for agriculture; 73 million escudos for health, and the remaining 126.9 million for electric power, fisheries, housing, tourism and trade. In December 1968, a further allocation of 70.4 million escudos was authorized.

118. Almost 70 per cent of the funds (1,019.3 million escudos) was to be financed from loans as follows:

<u>Financing</u>	<u>Actual expenditure (million escudos)</u>	<u>Percentage of actual expenditure</u>
Loans	1,019.3	69.73
DIAMANG	500.0	37.15
Portuguese Government	214.0	15.90
Local credit institutions	205.3	15.25
Angola development bonds	100.0	7.43
Budgetary surpluses	200.0	14.86
<u>Sobrevalorização</u> export tax	70.0	5.20
Development Fund	56.7	4.21
Total actual expenditures	1,346.0	100.00

119. During 1968, the Angolan Government was authorized to issue the remainder series of the Transitional Development Plan bonds for the financing of the Third Development Plan or other extraordinary expenditures authorized by the Overseas Minister (Decree-Law No. 48,236, 5 February 1967). Although only 100 million escudos from development bonds were earmarked funds for the implementation of the Third Development Plan during 1968, by August 1968 the Government had issued all four remainder issues amounting to a total of 400 million escudos.

#### Education<sup>x/</sup>

120. Government statements in 1968 stressed the expansion of education in Angola, particularly at the primary level, as a means of inculcating the Portuguese way of living to combat "subversion" and to help prevent the liberation movements from winning Africans to their side. On one occasion, the Governor-General said that education was part of the war against "subversion" and any school that could not be built corresponded "to a loss equal to casualties resulting from an ambush on a village".

121. Although the Government has taken various measures with a view to improving the school system, both public expenditure and the results have remained below the planned goals. Under the Transitional Development Plan, 1965-1967, for instance, the original target of investments in education was 540 million escudos, but only 107.8 million escudos (less than 20 per cent of the target) had actually been spent at the end of the period. Envisaged investments in education under the Third Development Plan, 1968-1973, amount to 1,390.9 million escudos (see A/7200/Add.3 and Corr.1, annex II, para. 148); however (see para. 117 above), the total authorized expenditure for the first year of implementation of the plan was 75 per cent below the original annual target.

<sup>x/</sup> For a description of the school system in Angola, see A/6000/Rev.1, chap. V, paras. 37-42; A/6700/Rev.1, chap. V, paras. 77-83 and 225-236.

122. Since 1965 budget allocations for education have increased by almost 75 per cent, from 192.1 million escudos in that year to 334.9 million escudos in 1968. While these increases have roughly kept pace with the rise in government expenditures over this period, even the latest figure represents only 6.5 per cent of the total ordinary expenditure. In contrast, the budget allocation for the Estudos Gerais Universitários de Angola, recently renamed as the University of Luanda, has risen much faster and in 1968 amounted to 49.5 million escudos or about 13 per cent of the total estimates for the education sector. In addition; it received an extraordinary allocation of 10 million escudos bringing the 1968 expenditure for higher education to 70,000 escudos per student, compared with about 1,000 escudos per pupil in the rest of the school system.

123. The local Press has been openly critical of the shortage of funds for education to which it ascribes a shortage of teachers, lack of improvements in the education system, and inadequate pay for teachers hired on a temporary basis who, in consequence, have to seek additional employment. There has also been criticism of the cost of textbooks, particularly primary school books. The new textbooks, especially written for Angola, have been difficult to obtain in the Territory and are too costly for the majority of families with children of school age.

124. In the expansion of school facilities, the Government has provided extra funds and facilities to the Catholic schools to bring them up to the required standard but it has continued to discourage the Protestant missionaries still teaching in the Territory. Between 1961 and 1967, Protestant missionaries in Angola dropped from 261 to fewer than 50. In June 1968, Portuguese authorities gave notice that the presence of 45 missionaries from the United States and Canada was considered "undesirable" and they were requested to leave the Territory.

125. In the school year 1966/1967, the Territory's total school enrolment at all levels was 305,759, compared with 255,690 in the previous year. This represents an increase of almost 20 per cent (see table 3).

126. There has been little change in the enrolment pattern in primary schools as described last year (A/7200/Add.3, chap. VIII, annex II, para. 154). Of 264,836 pupils enrolled in primary schools, two thirds (173,124) were in the preparatory class y/ or the first year; less than one fifth (45,193) were in the second year; just over 10 per cent (27,969) were in the third year; and only 7 per cent (18,550) in the fourth year. Although 55 per cent of the pupils enrolled in primary schools (144,099) passed their examination, only 4,279 out of the 18,550 students enrolled in the fourth class successfully completed their examinations.

127. The Education Inspectorate found in 1965/1966 that a large number of children did not pass the pre-primary and first class examinations and decided that greater attention had to be given to this problem. However, the school statistics for 1966/1967 do not show much improvement. Part of the difficulty may be due to the fact that the medium of instruction and communication in these early grades is not in the children's mother tongue, so that the new vocabulary the child learns at

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y/ See A/6700/Rev.1, chap. V, para. 229. The preparatory class is a pre-primary adaptation class for children who cannot speak Portuguese and who come from a different environment.

school cannot be a means of communication at home. The Portuguese authorities have recognized this difficulty to the extent that the monitores (teachers) for the school posts are generally chosen to teach in their own areas so that they can communicate more easily with the pupils and parents.

128. Data in table 4 show that in 1966/1967 there was a drop in the number of schools in two of the border districts: in Moxico District the number of schools dropped from 149 to 144, and in Zaire District from 41 to 39. In 1968 the Government upgraded at least eight school posts to officially recognized primary schools by adding the first three primary classes; it set up two new primary schools, one at Carmona and one at Caieí in Bié District, and at least ten new school posts, one at Alto Chiumbo in Huambo District and nine in the Cabinda District.

129. In 1968, a statute of elementary primary education was published by the Angolan Government (Portaria No. 15,665, 7 August 1968). The new statute does not appear to have introduced any changes in the present education system, but merely brings together previous legislation relating to elementary primary education. z/

130. In December 1967 (Portaria No. 23,114, 29 December), the Government extended to the overseas Territories the second cycle of primary school, comprising a fifth and sixth year. Already introduced in Portugal since 1964 in order to raise the general standard of education, this cycle is compulsory for all children who, upon completion of the fourth class of primary school, do not intend to continue to secondary school. Pending the establishment of the necessary facilities, however, this new cycle will only be compulsory in the overseas Territories four years later, i.e., for the children now enrolled in the first class (Portaria No. 23,207, 6 February 1968).

131. Secondary school enrolment in 1966/1967 was reported at 32,259 pupils, of whom 16,700 were in liceus (secondary academic schools) and 15,559 in secondary technical schools. Provisional figures for 1967/1968 show that there were 34,621 students enrolled in secondary school that year, of whom 17,990 were in liceus and 16,831 in secondary technical schools.

132. In 1968, there were eleven official liceus in the Territory which were located in the main towns as follows: three in Luanda and one each in Malanje, Moçâmedes, Sá da Bandeira, Silva Porto, Nova Lisboa, Benguela, Lobito and Carmona (Portaria No. 15,684, 20 August 1968). The Angolan Government was authorized to build a new industrial and commercial institute (technical secondary school) at Silva Porto in Bié District (Portaria No. 23,282, 23 March 1968). This raises the total number of such official institutes in the Territory to five, the others being located in Luanda (2), Huambo (1) and Huíla (1).

133. In January 1967, the Government simplified the secondary **school** system in Portugal by creating, in place of the separate courses for academic and non-academic high schools, a unified two-year course known as preparatory cycle for secondary school. This enables students to have two years of secondary education before they have to make a choice between the liceu, i.e., the academic, and a technical school. The new preparatory cycle for secondary education was extended

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z/ Namely Decree-Laws No. 42,994, 28 May 1960, No. 45,908, 10 September 1964, and No. 46,447, 20 July 1965.

Table 3

Angola: School statistics, 1965/1966 and 1966/1967

	<u>Schools</u>		<u>Teachers</u>		<u>Pupils</u>	
	<u>1965/1966</u>	<u>1966/1967</u>	<u>1965/1966</u>	<u>1966/1967</u>	<u>1965/1966</u>	<u>1966/1967</u>
<u>Total</u>	2,819	3,395	6,708	8,004	255,690	305,759
Primary	2,660	3,237	4,922	5,986	222,326	267,763
Secondary academic	55	54 <sup>a/</sup>	659	720	14,651	16,700
Technical professional:						
Elementary technical schools	36	34 <sup>a/</sup>	661	729	12,961	14,783
Commercial and industrial institutes	4	4	74	76	495	583
Agricultural schools	1	2	11	18	178	183
Elementary professional	8	10	33	53	709	1,035
University studies	1	1	38	77	477	607
Teacher training						
For school posts	7	7	47	50	705	794
For primary schools	3	3	30	28	231	203
Others	44	43	233	267	2,957	3,093

Source: Angola. Direcção dos Serviços de Estatística, Estatística da Educação, ano lectivo de 1965/66, Luanda, 1967, page 13; ibid., ano lectivo de 1966/67, Luanda, 1968, page 13.

a/ Three schools were closed during the school year.

Table 4

Primary education in AngolaSchools, teachers and enrolment by districts, 1966/1967<sup>a/</sup>

<u>District</u>	<u>Population</u> (1960)	<u>Schools</u>	<u>Teachers</u>	<u>Students</u>	
				<u>Registered</u>	<u>Promoted to next class or passed examination</u>
<u>Total</u>	4,840,719	3,171	5,898	264,836	144,099
Benguela	489,039	270	536	24,738	14,310
Bié	453,106	296	575	31,854	12,426
Cabinda	58,680	121	214	9,092	3,846
Cuando-Cubango	113,063	56	81	2,588	1,135
Cuanza-Norte	263,600	193	330	15,117	8,650
Cuanza-Sul	405,564	185	314	13,196	7,792
Huambo	598,441	591	901	43,826	27,744
Huíla	595,672	321	554	25,575	13,224
Luanda	349,764	174	845	31,790	20,281
Lunda	247,430	126	200	10,275	4,699
Malanje	452,285	353	539	22,425	12,341
Moçâmedes	43,419	42	101	3,185	1,826
Moxico	266,709	144	212	9,689	3,804
Uíge	399,886	260	402	17,407	9,861
Zaire	104,061	39	94	4,079	2,160

Source: Angola. Direcção dos Serviços de Estatística. Estatística da Educação, ano lectivo de 1966/67, Luanda, 1968, page 53.

a/ For comparison with 1965/66, see A/7200/Add.3 and Corr.1, annex II, table 2.

to the overseas Territories later that year. In the school year 1968/69, all twelve elementary technical schools of Angola are to become preparatory secondary schools. In addition, the four preparatory secondary schools were established in Luanda (present population about 350,000), two in Nova Lisboa (population at 1960: 70,629), and one each in twenty-one other towns with a population of over 10,000 (Decree No. 48,608, 7 October 1968). aa/

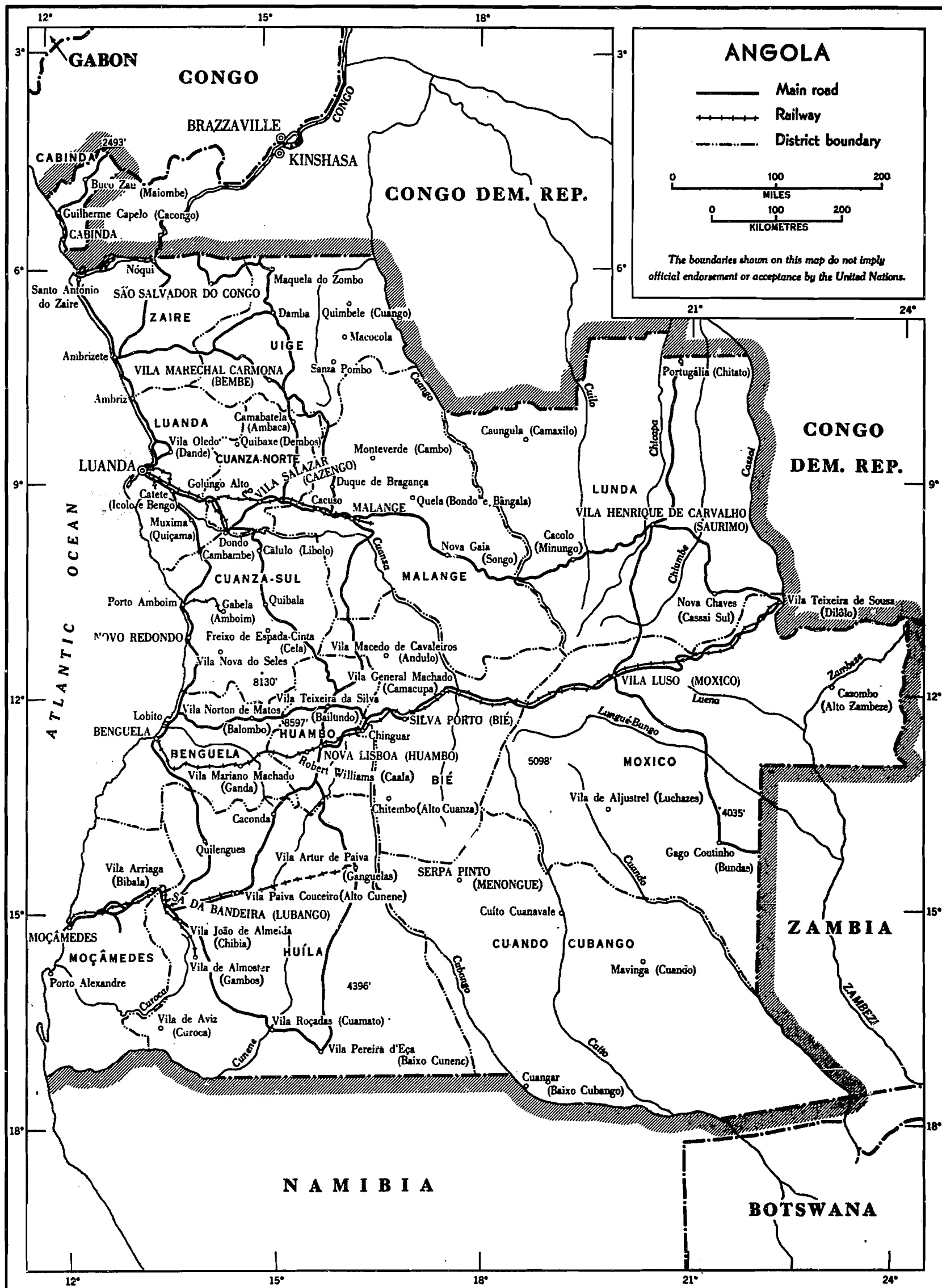
134. Since the Angolan General University Studies have been recognized as a university, degrees will henceforth be recognized as equivalent to degrees conferred by any Portuguese university. New departments authorized for the school year 1968/1969 include mathematics, physics, chemistry, biology and geology. A licenciatura (the equivalent of a master's degree) from any of these departments requires five years of university residence. However, as the urgent need is for more qualified secondary school teachers, only the first three years (the general cycle) of these new courses will be given in Angola for the time being. Completion of the general cycle is also required for various civil service posts (Decree No. 48,196, 10 January 1968).

135. During the school year 1968/1969 further university classes were added in surgery, forestry and various branches of engineering. Whereas it had originally been the Government's policy to require students to complete their last two years of university studies in Portugal, this will no longer be necessary for such courses as civil, mining and electrical engineering.

136. In 1967/1968, there were 304 students enrolled in the University of Luanda compared with 590 in 1966/1967. There was no information on enrolment by departments. During 1967/1968 new staff included three full professors, one visiting professor, one first instructor (primeiro assistente) and fifty-six second instructors (segundo assistentes), raising the total to 136.

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aa/ With the population at 1960 indicated in parentheses, these were Bela Vista (23,296); Benguela (40,282); Cabinda (13,499); Caconda (38,185); Carmona (13,613); Cubal (36,254); Dondo (22,060); Gabela (23,338); Henrique de Carvalho (12,535); Lobito (50,424); Luso (35,817); Malanje (25,766); Moçamedes (7,963); Novo Redondo (12,708); Porto Amboim (11,679); Quibala (38,096); Robert Williams (19,974); Sá da Pandeira (15,129); Salazar (22,079); Serpa Pinto (10,162); and Silva Porto (24,990).



ANNEX III\*

MOZAMBIQUE

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\* Previously issued under the symbol A/AC.109/L.538/Add.2.

## MOZAMBIQUE<sup>a/</sup>

### General

1. In 1966 the population of Mozambique was officially estimated at 7,040,000 inhabitants, while unofficial estimates put the figure at 7,250,000. There are no data on the distribution of the population by race after 1960. According to recently published data, a survey made several years ago of the resident population showed that about 2.5 per cent of the population, comprising Europeans, Asians, mestiços and some Africans, was concentrated in the urban areas and engaged in modern activities including mining and certain types of farming; about 3.5 per cent of the population, comprising mainly rural Africans, was concentrated in the outskirts of the main urban centres; the rural African population living at the subsistence level and some African migratory labourers made up the remaining 94 per cent. There appears to have been little change in this pattern since the survey was taken except for the recruitment of some thousands of Africans into the armed forces.

### Constitutional and political

2. There were no new constitutional or legislative changes in 1968 affecting the system of government and administration of the Territory.

#### (a) Territorial Government

3. In June 1968 Dr. Balthazar Rebello de Souza was appointed Governor-General of Mozambique as the first non-military governor-general in thirty years. This appointment was interpreted in various press reports as a move designed to show that the military situation in Mozambique was under control and that the main problems were political.

4. At the swearing-in of the new Governor-General, the Overseas Minister particularly stressed the need for closer co-ordination between civil and military administrations in the overseas Territories. The Government's task in Mozambique, he pointed out, was a complex one with innumerable administrative problems which had to be dealt with carefully while taking into account international questions, especially in relation to neighbouring countries.

5. In his various speeches since taking office, Governor-General Rebello de Souza has repeatedly emphasized the need for the co-operation of the people with the Government and the military authorities, the importance of establishing "individual and collective peace and security" in the Territory and the need for "a permanent revolution, a revision of institutions and men in all fields".

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a/ For general information on the Territory see Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (Part II) (A/6700/Rev.1), chap. V. para. 42.

He has made new appointments to four of the six posts of provincial secretaries, namely to those for public works and communications, land and settlement, economy and for health, labour and welfare. He has also visited most of the important cities and the combat areas in the north.

(b) Local government<sup>b/</sup>

6. Elections to the municipal councils were scheduled for 17 November 1968 and elections to the district councils were scheduled for 23 and 24 November 1968. No information is available on the results of these elections.

Military activities

(a) The war situation

7. Reporting on the war situation in September 1968, the Governor-General told the Legislative Council that in the Cabo Delgado and Niassa Districts guerrilla infiltration had been "progressively eliminated" with the help of the local population and the local militia. He admitted, however, that there had been "some" guerrilla activity in Tete District aimed at disrupting the work on the Cabora Bassa dam.

8. Apart from the successful reopening of the front in Tete by the guerrillas, press reports seem to confirm that during the year there was no further southward expansion of the area of guerrilla activities. Also Portuguese military bulletins, which previously had appeared at intervals of five to seven days, became less frequent from February 1968 onwards, appearing at irregular intervals of about four to six weeks, with accounts mainly of such guerrilla activities as mined roads and ambushes. After August 1968 the bulletins increasingly stressed the co-operation of the local population and the militia both in planned operations against guerrilla forces and in meeting their attacks. From September onwards Portuguese sources reported fewer guerrilla attacks but mounting propaganda activities aimed at demoralizing Portuguese troops.

9. In contrast to 1967, Portuguese military bulletins in 1968 made no reference to the number of guerrilla troops captured. Several thousand persons were reported as "recovered" (recuperadas) <sup>c/</sup> and even larger numbers as "surrendered". Official figures for Portuguese troop casualties dropped from 99 in 1967 to 73 in 1968, and guerrilla casualties from 1,130 to 657.

10. In Niassa District there was guerrilla activity throughout 1968, mainly around Unango-Nova Viseu and southwards to Catur (see map). Fighting along the shores of Lake Niassa is reported to have decreased after Portuguese troops started a lake patrol in 1967.

11. In Cabo Delgado District, no fighting was reported during the year south of the Messalo River. Portuguese sources admit that the Mueda plateau remains the

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<sup>b/</sup> For a description of the local administration see Official Records of the General Assembly, Nineteenth Session, Annexes, Annex No. 8 (Part I) (A/5800/Rev.1), chap. V, paras. 46 ff.

<sup>c/</sup> This refers to persons who had presumably been abducted.

stronghold of guerrilla activities and that there was continued action as far south as the Chai-Macomia area. Towards the end of the year Portuguese military bulletins reported search and destroy actions against the Frente de Libertação de Moçambique (FRELIMO) in the north of Cabo Delgado as well as in Niassa, thereby indirectly confirming FRELIMO's claims regarding its occupation of these districts.

12. In Tete, Portuguese sources reported guerrilla activities mainly in the north and northwestern parts of the district, especially in the Gago Coutinho and Cassacatiza regions. As a result of these new guerrilla activities, some Portuguese troops were transferred from Niassa to Tete, the Tete Regional Hospital has been converted for military casualties, and Gago Coutinho, on the border with Zambia, has been fortified as a command post covering a large area of the Capoché River Valley (see map). There are also indications that the local population near the Zambian border is being regrouped into special villages.

13. FRELIMO, which claims that it controls one-fifth of the Territory, is now reported to have between 8,000 and 15,000 troops. For FRELIMO the outstanding events in 1968 were the successful reopening of activities in Tete District and the holding of the party congress in Mozambique, reportedly in Niassa District in September. In August, FRELIMO forces attacked the airfield at Mueda, in Cabo Delgado District, and claimed to have destroyed thirteen Portuguese aircraft. Portuguese military bulletins, which had not reported the attack at the time, only admitted the fact in January 1969 after a report of the event had appeared in the international Press. The Portuguese source nevertheless denounced the news as "false propaganda" and denied the loss of any aircraft.

14. Although the claims and counter-claims make it difficult to assess the real situation of the war, the general pattern seems fairly clear: for the Portuguese Government, the struggle is now aimed at the control of the people. According to a recent report in The Washington Post, based on a visit to eight Portuguese-held positions in the three combat areas, Portuguese policy now concentrates on "sweeping the people" into protected villages. About half of the 800,000 population of the Niassa and Cabo Delgado Districts have been put into some 350 villages, or aldeamentos, surrounded by barbed wire, and guarded and administered by para-military or military forces. d/ The report described the general situation in the war areas as follows:

"The Portuguese hold the towns in which they choose to keep them, supplying them by air if necessary. In certain areas, however, the FRELIMO guerrillas move relatively freely through the bush, command the support of most of the local people by persuasion or force and deny the Portuguese the use of most roads except by armed convoys subject to mines and ambush."

15. In February 1969, the Portuguese Minister for Defence, General Sá Viana Rebello, visited Mozambique and toured the northern districts for five days. His visit, following closely on the death of FRELIMO's president, Dr. Eduardo Mondlane, coincided with reports that the Portuguese shortly intended to make a concerted drive against the guerrillas in the north. In a speech to the armed forces in Mozambique, General Rebello said that Portugal would strive to "re-establish peace and security in Mozambique in the shortest time". He stressed that the success of this campaign would depend essentially on progress made in economic and social development of the Territory.

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d/ Diário de Notícias of 25 April 1969. According to a statement by a spokesman for the Overseas Ministry, there were 100 villages in Niassa with a total population of 200,000 and 150 villages in Cabo Delgado with a total population of 140,000.

(b) Military expenditure

16. Contrary to the situation in Angola, where the Government acknowledges that all but four out of the fifteen districts are affected by guerrillas, the war in Mozambique has so far been limited to the extreme north, while everyday life goes on almost unaffected in the south. However, in 1968, there were probably more troops in Mozambique than in Angola - the estimates are 60,000 and 55,000 respectively. For 1968, Mozambique's estimated military budget was 836.5 million escudos. e/ In addition, the ordinary budget included 95 million escudos for the Navy Department, 75 million escudos for the Public Security Police (PSP) and 35 million escudos for the Polícia Internacional e de Defesa do Estado (PIDE); the extraordinary budget included 9 million escudos for the Volunteer Corps and 62 million escudos for public security. The Territory's total budgetary estimates for military and related activities in 1968 therefore amounted to 1,112.5 million escudos, or over \$US100,000 a day. For 1969 the estimated military budget at 900 million escudos shows an increase of about 7 per cent; there is, however, a 20 per cent increase in the allocation for PIDE which has risen to 41.5 million escudos, and a 24 per cent increase in allocations for public security to a total of 87 million escudos.

(c) Security measures and psycho-social action

17. In Mozambique there has also been a marked increase in the activities of the PSP and the PIDE. One indication has been the additional budgetary allocations for both the PSP and the PIDE, as well as sizeable increases in the allocations for the industrial penitentiary, the central prison in Lourenço Marques, and the prison camp at Mabalane in the Gaza District. f/ In June 1968, PIDE activities resulted in the capture in the Territory of some members of the Pan-African Congress for South Africa who were en route to South Africa via Mozambique.

18. Both PSP and PIDE personnel are being increased. In 1968, the PSP started to recruit women into its ranks in clerical grades, and more women are to be added eventually as traffic guards and inspectors. In December 1968, the PIDE personnel in the Territory were increased by almost 40 per cent, from 475 to 662 persons.

19. According to one article, PIDE is being used in a joint effort with civil and military authorities to convince the African population in the war area that FRELIMO is lying when it predicts grim consequences for supporters who are captured or who surrender to the Portuguese authorities. For instance, after the visit of the Director of PIDE to the Territory in December 1968, during which he toured the northern districts and the Cabora Bassa dam region, a Lisbon newspaper published an article describing his visit with a picture of well-dressed prisoners at the Machava prison on the outskirts of Lourenço Marques. Other articles in the Mozambique newspapers have reported long interviews with Africans captured by the Portuguese. According to one source, there are some 20,000 Africans being held in various prisons, and rehabilitated prisoners from the north are being sent back to their own villages to assist in "defence" measures. In December 1968 the Portuguese

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e/ One escudo equals \$US.035.

f/ See table 10 C below. Between 1967 and 1969 the budgetary allocation for PIDE increased by 50 per cent and in 1969 the estimated expenditure on prisons and PIDE amounted to more than one quarter that for education.

Press reported a visit of a representative of the International Red Cross to various centres where captured guerrilla fighters are being held.

20. Education is also being used as part of the psycho-social action. During 1968, an experimental course using audio-visual aids was established at Nampula to teach newly recruited African soldiers to speak Portuguese. With the increase in the numbers of Africans recruited into the Portuguese Army, difficulties of communication have become important, as hardly any rural Africans speak or understand Portuguese. The Army, the Ministry of Education and the Institute of Audio-Visual Education (Instituto de Meios Audio-Visuais de Ensino) (IMAVE) have collaborated in setting up this course at Nampula, which was chosen because it is the general headquarters of the military region of Mozambique; the Army Training Centre is also located there. A major from the Psychological Action Section was appointed director of the course.

21. Macua soldiers were selected as the first group of students because the Macuas and Lomwes, who reportedly number more than 2,200,000 inhabit a considerable part of the Cabo Delgado and Niassa Districts and have a linguistic unity of their own. Apart from teaching the soldiers to understand and to speak Portuguese, the course aims at helping the soldiers to achieve "social integration" in the army and in their new environment. The aim is to develop "a new Portuguese and Christian mentality", by giving them a sense of feeling themselves to be Portuguese, and to enable them to understand, "if not the reason for the war, at least that there is a reason for the war, so that in time they will identify themselves with the Portuguese community".

22. Official military bulletins and other press reports show that the Portuguese Government is also increasingly concerned with counteracting what it terms "enemy propaganda activities". The new Portuguese Secretary of State for Information, Dr. Cesar Moreira Baptista, for instance, recently stated that the national broadcasting service should be heard in all "national Territory" so that it could effectively oppose enemy propaganda.

#### (d) Visitors to the Territory

23. In addition to the usual visits of various Portuguese government officials, among visitors to the Territory during 1968 and the early part of 1969 were: the ambassadors to Lisbon of Austria, France, the United Kingdom of Great Britain and Northern Ireland and the United States of America; the Director of the Division for African Affairs of the Ministry for Foreign Affairs of the Federal Republic of Germany; other diplomatic personnel from Pakistan and Switzerland and some parliamentary representatives from France and the United Kingdom.

24. Recently the Press has given considerable publicity to the visits of various foreign military personnel to the guerrilla-affected areas in the north and to the site of the Cabora Bassa dam. These have included the military attachés to the embassies in Lisbon of Italy, Spain, South Africa, the United Kingdom and the United States; the Commander-in-Chief of the South African Forces, Lt.-General Frazer; and the "Minister for Foreign Affairs and Defence" of the Smith régime in Southern Rhodesia.

## Economic conditions

### (a) General

25. Data on the economic activities of the Territory for 1968 are not yet available, but from general indications it appears that there were no major changes during the year. In contrast to Angola, where internal "subversion" and the cost of the war have created financial difficulties, in Mozambique the Government's major concern is to improve the road and rail communications which provide an important part of the Territory's revenue, to increase production for export, to attract further capital and to provide new credit facilities.

26. As the following sections show, in 1967 Mozambique's balance of trade and payments improved slightly over 1966 and the collected revenue substantially exceeded the original estimates.

### (b) External trade and payments

27. As a result of the new import controls introduced in the early part of 1967 to reduce the Territory's chronic trade deficit (which had been getting larger), Mozambique's imports, valued at 5,727 million escudos, were 244 million escudos lower than in 1966. Exports, on the other hand, rose by 285 million escudos to 3,501 million escudos, so that the trade deficit of 2,226 million escudos was 529 million escudos less than the previous year.

28. There was no significant change in the pattern of imports and exports in 1967. The main imports were automobiles, valued at 377 million escudos (6.6 per cent of the total value of imports); crude petroleum, 326 million escudos (5.7 per cent); cotton textiles, 295 million escudos (5.2 per cent); wines, 200 million escudos (3.5 per cent); wheat, 128 million escudos (2.2 per cent).

29. Cotton lint and unshelled cashew continued to lead the list of major exports, respectively accounting for 18.2 per cent (639 million escudos) and 15.2 per cent (531 million escudos) of the total value of the exports. Other major exports were: sugar (9.4 per cent, 329 million escudos); tea (7.4 per cent, 259 million escudos); copra (5.46 per cent, 191 million escudos), and sisal (2.85 per cent, 100 million escudos).

30. Portugal remained Mozambique's main trading partner, supplying over 25 per cent of its imports and taking almost 30 per cent of its exports. South Africa replaced the United Kingdom as the Territory's second major trading partner, accounting for about 10 per cent of the imports and 18 per cent of the exports. The Territory's other major suppliers, in descending order of importance, were the United Kingdom, the Federal Republic of Germany, Iraq, the United States and Japan, and its customers were India, the United States, the United Kingdom and Angola.

31. In 1967 the Territory's balance-of-payments deficit with Portugal amounted to 333 million escudos, compared with 399 million escudos in 1966, and 218 million escudos in 1965. Yet as already shown elsewhere (see annex I above, para. 74) the Territory's balance of payments with foreign countries in 1967 had a surplus of 923 million escudos, which contributed to the surplus balance of the escudo zone with foreign countries.

32. Published information (table 1) shows that remittances from labourers in the South African gold mines, higher dues from the oil companies - as a result of more intensive exploration and new concessions being granted - and higher official transfers helped to give the Territory a small surplus on current account. Furthermore, the traditional trade deficit was offset by the revenue from transport earnings and tourism, and in spite of a heavy outflow of interest on capital there was a surplus of 6 million escudos. On capital account, however, there was a deficit in net private long-term capital movements, and transfers of official capital (mostly for the payment of debt amortization in Portugal) combined to create a total balance of payments deficit of 333 million escudos.

33. During 1967, Mozambique received a loan of 150 million escudos from the Escudo Zone Monetary Fund to facilitate its payments to Portugal. There is some expectation that when the Cabora Bassa dam construction begins in 1969, Mozambique's balance of payments should show heavy inflows of capital, although this may be partially offset by remittances of earnings of expatriate workers and higher imports.

Table 1

Mozambique: Balance of payments with Portugal  
(million escudos)

	<u>Payments</u>		<u>Receipts</u>		<u>Balance</u>	
	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>
<u>Current account</u>						
<u>Selected items</u>						
Merchandise	4,769	5,179	2,992	3,225	-1,777	-1,954
Interest on capital	406	380	24	4	- 382	- 376
Migrants remittances and personnel	335	328	306	379	- 29	+ 51
Transport	119	131	1,746	1,820	+1,627	+1,689
Exploration dues	281	257	460	598	+ 179	+ 341
Official transfers	22	20	67	119	+ 45	+ 99
Total	6,308	6,688	6,110	6,694	- 198	+ 6
<u>Capital account</u>						
<u>Private capital</u>						
Long term	245	330	287	280	+ 42	- 50
Short term	84	54	13	53	- 71	- 1
Official capital	<u>172</u>	<u>288</u>	<u>-</u>	<u>-</u>	- <u>172</u>	- <u>288</u>
Total	501	672	300	333	- 201	- 339

Source: Standard Bank Group, Annual Economic Review, Mozambique, December 1968, p. 10.

(c) Agriculture<sup>g/</sup>

34. According to a report published in 1968, over the past five years agriculture has contributed about 25 per cent of the country's gross national product. Of the labour force, about 38 per cent are engaged in the primary sectors, and out of twelve of the principal exports, nine are agricultural products.

35. It is reported that there are 1.5 million "farm units" in the traditional sector which occupy an area of 21,699 square kilometres and that methods in this sector are primitive with little mechanization. Most of the production is self-consumed; estimated at 97 per cent for manioc, 37 per cent for maize, 77 per cent for ground-nuts, 32 per cent for rice and 18 per cent for cashew. Most of the crops for export are produced by commercial family farms and company plantations; this is especially true of sugar and tea.

36. The number of "farming units" by district is given in table 2, which shows that the average area of a "farm unit" in the "developed sector" is about 400 times those in the traditional sector where the average is 1.4 hectares. Since it is reported that 88 per cent of the population lives in the traditional sector, it follows from this data that on an average each 1.4-hectare unit has to support four persons.

Table 2

"Farming units" by district

	Number of units		Area occupied		Average size of units	
	Traditional	Developed	(thousand hectares)		(hectares)	
	sector	sector	Traditional	Developed	Traditional	Developed
Lourenço Marques	53,628	567	77.4	329.5	1.4	581
Gaza	156,432	1,779	248.0	348.7	1.6	196
Inhambane	159,019	185	279.1	121.5	1.8	657
Manica e Sofala	135,446	451	224.3	676.8	1.7	1,501
Tete	99,865	61	152.3	46.2	1.5	757
Zambésia	277,961	308	219.0	376.5	0.8	1,222
Moçambique	419,745	553	688.9	302.9	1.6	543
Cabo Delgado	149,946	106	173.1	49.3	1.2	465
Niassa	62,975	33	107.8	20.7	1.7	628
Total	1,515,017	4,043	2,169.9	2,272.0	1.4	562

Source: Standard Bank Group, Annual Economic Review, Mozambique, December 1968, London, 1968.

<sup>g/</sup> For detailed information on agriculture and processing industries in Mozambique, see Official Records of the General Assembly, Twenty-first Session, Annexes, addendum to agenda item 23 (A/6300/Rev.1), chap. V, annex, appendix III.

37. Production statistics, however, are not available separately for the "traditional" and "developed" sectors. The type of information available for the district of Lourenço Marques is set out in table 3 below. It has been estimated, however, that, partly because of the growth of plantation farming, the value of African-grown commercial crops dropped from 47 per cent of the total in 1951 to 35 per cent in 1967.

Table 3

Agricultural holdings and production in Lourenço Marques District - 1966

	Number of <u>growers</u>	Total area ( <u>hectares</u> )	Total production ( <u>tons</u> )	Average Area per grower ( <u>hectares</u> )	Production per grower ( <u>kg</u> )
<u>Food crops</u>					
Rice, unmilled	1,624	474.4	179	0.29	110.2
Mapira	1,213	882.9	610	0.72	502.9
Maize	20,754	33,443.0	18,297	1.61	881.6
Wheat	547	1,006.0	189	1.83	338.2
Beans (European)	1,277	447.4	310	0.35	242.7
Beans (regional)	601	90.0	676.7	0.15	1,125.9
Sweet potatoes	9,165	284.0	1,996.7	0.03	217.8
<u>Cash crops</u>					
Tobacco	922	63.0	55.5	0.07	60.2 (tons)
Sugar-cane	250	23.9	4(million)	0.09	16,000 (tons)
Seed-cotton	63	15.7	0.36	0.03	5.7
Cashew	22,065	-	489.3 <u>a/</u>	-	20.7 <u>b/</u>

Source: Missão de Inquérito Agrícola sobre o Distrito de Lourenço Marques, as published in Notícias, Lourenço Marques, 12 June 1968.

a/ 111.7 tons sold.

b/ 4.5 kg sold.

38. As noted already, the Government has been mainly concerned with measures to increase production for export. The Third National Development Plan, for instance, envisages an expenditure of 2,136.1 million escudos for agriculture, but almost four-fifths of this is for irrigation and settlement, especially for European farming. Of the remainder, 152.5 million escudos is for livestock development and 287.1 million escudos for the development of cotton (not irrigated), cashew, maize, bananas and citrus fruits.

39. Government assistance to farmers for cash crop production included the following items in the 1968 budget estimates and supplementary estimates: the Cotton Development Fund, 75.8 million escudos; Mozambique Cotton Institute, 130 million escudos; the Rice Development Fund (mainly for irrigated rice growing), 9.9 million escudos; the Mozambique Cereals Institute, 83.6 million escudos.

40. Apart from these special-purpose funds, there is still a shortage of credit facilities for the small individual farmer. So far the main source of such credit has been the Caixa de Crédito Agrícola (Agricultural Credit Bank). When the Caixa was reorganized in 1966 (Decree No. 46,933, 4 April 1966) it was set up with a capital of 15 million escudos and an annual minimum budget allocation of 5 million escudos. However, the 1968 budget approved for the Caixa was less than 3 million escudos, of which 1.3 million escudos consisted of its own surplus and 350,000 escudos was from interest on outstanding loans. To provide the Caixa with more operating funds, in 1968 it was granted a loan of 40 million escudos for a period of eight years at 5 per cent interest by the National Development Bank (Banco de Fomento Nacional) to provide loans to farmers to expand their activities and increase production.

41. Owing to the lack of adequate resources, the Caixa so far has only been able to provide short-term and medium-term loans up to three years at an annual rate of 6 per cent. Short-term loans for the purchase of seed and fertilizer for one year are at 1 per cent. During the first ten months of 1968 the Caixa granted forty loans with a total value of 6 million escudos. The Caixa has so far made no long-term loans, but a private group of farmers and investors have put forward a proposal to set up an agricultural bank.

Table 4  
Agricultural production 1965-1967  
(metric tons)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
<u>Export crops</u>			
Sugar-cane	164,950	178,639	199,611
Seed-cotton	38,705	118,750	130,528
Sisal	30,972	30,902	31,379
Tea	10,970	13,983	14,419
<u>Food crops</u>			
Maize	390,000	440,000	500,000
Peanuts, shelled	120,000	114,000	118,000
Rice	93,000	79,000	88,000
Wheat	7,500	8,000	...
<u>Other</u>			
Cashew <sup>a/</sup>	...	109,305	93,716

Source: Portugal: Banco Nacional Ultramarino, Boletim Trimestral, First Quarter, Lisbon, 1968, p. 32.

a/ The original statistics do not classify cashew as an export "crop", since the nut is gathered from the trees.

Table 5

Exports of principal crops 1965-1967  
(thousand tons and million escudos)

	<u>1965</u>		<u>1966</u>		<u>1967</u>	
	(tons)	(escudos)	(tons)	(escudos)	(tons)	(escudos)
Cotton lint	31.3	553.7	28.1	491.9	38.2	638.5
Cashew (unshelled)	98.7	492.4	77.2	436.5	56.2	308.6
Sugar	94.9	291.8	147.1	466.1	109.5	329.1
Sisal	31.4	174.9	26.7	128.9	23.2	100.0
Copra	28.6	168.0	33.9	168.6	43.0	191.1
Tea	10.1	205.5	13.0	254.0	14.4	259.4
Cashew nuts (processed)	4.0	110.8	5.7	161.1	8.1	222.8
Oil seeds	20.2	190.4	13.6	133.0	...	...
Rice	1.1	6.8	4.0	23.1	5.3	30.7
Tobacco	0.9	35.9	0.9	38.1	1.5	58.9

Source: Mozambique. Boletim Mensal de Estatística, February 1968.

42. Cotton. As in Angola, in recent years, with the help of the Cotton Institute, h/ cotton is also becoming a European-grown cash crop. Since 1963, more than 1,200 hectares have been irrigated as areas of European settlement for cotton growing in the districts south of the Save River, including 300 hectares in Maguco, in the Lower Limpopo; 300 hectares in Macupulane in Magude, and 300 hectares in Baieca, in Chibuto.

43. In 1968, seed cotton production was 122,000 tons. No information is available on cotton lint production and local consumption, though exports, all of which went to Portugal, were the highest since 1961, amounting to 38.2 million tons valued at 638.5 million escudos, compared with 28.2 million tons, valued at 492 million escudos in 1967. Despite the lack of statistics on domestic production, it appears that since 1965, with the establishment of new textile factories, the Territory has been gradually producing a larger share of its own needs; imports of textiles from Portugal, which were 360 million escudos in 1964, dropped to 320 million escudos in 1966 and 300 million escudos in 1967.

44. The local textile industry is still expanding. In 1968 the Government authorized the establishment of another textile factory, TEXCOM, at Matola, in Lourenço Marques District. TEXCOM is reported to belong to Textil de Lourenço Marques, S.A.R.L. which is associated with the Portuguese group known as FASOL and financed by the Compagnie Générale d'Entreprises Electriques (C.G.E.E.). This French company is a partner in the Consórcio Hidro-Eléctrico do Zambeze-Zamco which won the bid for the construction of the first stage of the Cabora Bassa dam (see A/7320/Add.1, appendix III, para. 215).

45. Several established factories are planning new investments to increase production. These include an investment of 60 million escudos in a new ginnery by the Companhia de Algodão de Moçambique at Nampula which is a co-operative of producers in the Zambezi Valley. This new plant is reported to be the largest

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h/ For background information on cotton-growing in Mozambique and the role of the Cotton Institute see ibid., appendices I and III.

and most-up-to-date cotton ginnery in southern Africa, with an output of 2.5 tcns of cotton lint an hour. The Sociedade Algodoeira de Fomento Colonial (S.A.F.C) which own Textáfrica and currently produces about 40 per cent of the Territory's textile requirements, has also invested 60 million escudos to expand the capacity of its plant at Vila Pery to 4,000 tons a year, to enable it to supply up to half the Territory's textile needs. In addition, a new co-operative, UNICOP, which includes 3,000 farmers in Caia, Mutarara and Mopeia, plans to establish a new ginnery at a cost of about 3 million escudos. The farmers will raise 1.2 million escudos and the rest is to be financed by the Cotton Institute.

46. Cashew. Progress in the industrialization of cashew which (as reported in A/7320/Add.1, appendix III) has attracted considerable new capital in recent years, is reflected in the rise in exports of shelled cashew nuts from 4,000 tons in 1965 to 8,000 tons in 1967. As a result, exports of unshelled nuts have decreased steadily, dropping from 98,700 tons in 1965 to 56,200 tcns in 1967 with a corresponding decrease in value from 492.4 million to 308.6 million escudos. In 1964, the peak year, 128,000 tons of unshelled and 3,193 tcns of shelled nuts were exported, at a total value of 608.4 million escudos, representing 20 per cent of the value of the total visible exports.

47. As in past years, almost all of the unshelled cashew exported went to India, while the United States took about 80 per cent of the shelled cashew.

48. Owing to the rise in world prices for unshelled cashew and the narrowing of the margin of profit between the shelled and unshelled nuts, earnings from total cashew exports have dropped since 1964, and in 1967 amounted to 15.2 per cent of total exports (table 6).

49. The continuing attractive prices for unshelled cashew and the expansion of the number of mechanized cashew shelling factories combined in 1968 to create a shortage of supplies to these local factories, which have a total authorized capacity of more than 140,000 tons. The shortage has been specially acute in the area south of the Save River, which includes the districts of Inhambane, Gaza and Lourenço Marques where some of the large shelling factories are located.

Table 6

Value of cashew exports 1964-1967 .  
(million escudos)

	<u>Unshelled</u>	<u>Shelled</u>	<u>Total</u>	<u>Per cent of exports</u>
1964 (revised figures)	516.9	91.5	608.4	20
1965	492.4	110.8	603.2	19
1966	436.5	161.1	597.6	18.5
1967	308.6	222.8	531.4	15.2

Source: Mozambique. Boletim Mensal de Estatística.

50. In addition to the existing tax differentials<sup>i/</sup> on unshelled and shelled nuts (shelled nuts being exempt from all export levies), in September 1968 the Government introduced some further measures to help the cashew industry secure needed supplies. Exports of cashew from the region south of the Save River were prohibited and the official purchase price was increased on a graduated scale, with the highest price, 3.30 escudos per kilogramme, being paid in the area of Lourenço Marques; at João Belo, the site of one of Cajuca's principal plants, the price per kilogramme was set at 3.20 escudos and in the districts of Inhambane and Gaza, at 3.10 escudos. All cashew not voluntarily sold by 29 April 1969 must be sold to the Government at 2.80 escudos per kilogramme. Cashew exports from the northern districts were not prohibited and the purchase price was fixed at 3.0 escudos per kilogramme.

51. No information is available as yet on the production and export of cashew in 1968. Another cashew processing plant, Indústria de Caju Lda (Incabel), was authorized during the year. The new plant will be located in Beira in Manica e Sofala District.

52. Sugar. Sugar, which at one time, was the Territory's second major export crop, has always been produced mainly to supply the needs of Portugal. Under the present regulations (Decree No. 47,337, 24 November 1966), since January 1967 sugar from Angola and Mozambique has been granted a protected market in Portugal for a further fifteen years at a guaranteed price considerably above the world market price. This guarantee appears to have encouraged new investments (including a large proportion of Portuguese capital) in sugar (see A/7320/Add.1, appendix III, paras. 165 and ff). For the 1967/1968 crop year the Government authorized the import into Portugal of 185,000 tons of sugar (Portaria No. 22,567, 14 March 1967) and it is officially estimated that Portugal's sugar consumption requirements will reach 200,000 tons a year by 1970, rising thereafter by 5,000 tons a year.

53. Sugar consumption in Mozambique also has been rising rapidly. In the period 1965-1967, increased consumption more than absorbed the average annual 10 per cent rise in the Territory's sugar production. In 1967, the Territory's sugar exports to Portugal were only 109,000 tons, representing a drop of almost 30 per cent from the 147,000 tons exported the previous year. Since Angola's sugar exports to Portugal in 1967 amounted to only 26,270 tons, the balance of Portugal's sugar requirements had to be made up with purchases from foreign sources, thereby creating what the Portuguese Press has called a "sugar crisis", since the purchases are a drain on Portugal's foreign exchange.

54. At the same time, however, there is already some openly expressed apprehension in the Territory as to the future prospects of sugar as an export crop after the fifteen-year guarantee period, and when it will have to compete on world markets. Under the present system the higher prices Portugal pays to the producers in the Territories are passed on to the consumers in Portugal. This has also created problems. Since Portugal became a member of the European Free Trade Association (EFTA), Portuguese manufacturers of candies and other sugar-based products have found their goods increasingly priced out of the market by the high cost they have to pay for sugar. To adjust the situation, in 1968 the Government revised the official prices of various grades of sugar and at the same time granted the

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i/ In 1968 the sobrevalorização tax on exports of unshelled cashew nuts ranged from 478 to 602 escudos per ton, according to the prices at the ports of embarkation. For an explanation of this tax see annex II above, foot-note e.

industries using sugar as their prime raw material a discount of one escudo per kilo of granulated sugar on the official price of 8.20 escudos. Industries exporting their goods to foreign countries or to the overseas Territories will receive a discount of 3 escudos. To compensate for the loss of revenue from sugar, the price of the popularly used lowest grade of sugar (amarelo) has been increased by 10 per cent from 6.00 to 6.60 escudos per kilogramme. This increase is intended as a temporary measure, since the Government has announced its intention to discontinue this grade of sugar in the near future.

55. With the new expansion which is still under way, sugar production in Mozambique is scheduled to reach 320,000 tons by 1970 (see A/7320/Add.1, appendix III). The Açucareira de Moçambique, which, with the 250-million escudo loan from the Banco Nacional Ultramarino, expects to expand production to 60,000 tons a year, has successfully started a new pattern of production by offering free land to settlers on which to grow sugar. In 1968, it already had 400 settlers, including some Southern Rhodesian and South African nationals, who produced an average of 60 tons of cane per hectare. The company plans to irrigate and prepare another 1,800 hectares for similar settlements of 50 hectares each.

56. The Marracuene Agrícola Açucareira (MARAGRA), which received a loan of 250 million escudos from the National Development Bank in 1968, has awarded a contract to a South African consortium in which Grinakers, and Murray and Roberts Construction Companies have equal shares. The contract is for the construction of a system of dykes, drainage and irrigation and for the expansion of the sugar mill at Manhica, thirty miles north of Lourenço Marques, and it is being financed by the South African Development Corporation.

57. There is no further information on the expansion plans of the Sena Sugar Estates, which intends to raise its annual production to 200,000 tons a year by 1970.

58. Tea. Production rose by 436 tons over the previous year to 14,419 tons, almost all of which was exported. The principal customers were the United Kingdom, which took 10,174 tons or almost three quarters of the total; the Netherlands, which took 9 per cent; and the United States of America, which took just over 7 per cent.

59. Copra. There is no recent information available on the area under copra production or on sales by Africans. Exports of copra, which amounted to 60,000 tons in 1961, valued at 194 million escudos, dropped thereafter to a new low of 28,000 tons in 1965, valued at 168 million escudos; its percentage of total export value dropped in this period from 10.47 to 5.4 per cent. Although exports of copra have increased since 1965, rising to 33,900 tons in 1966 and 43,000 tons in 1967, its share in the total exports has remained around 5 per cent.

60. In 1968, the Indústrias de Caju Mocitas, in which the Anglo-American Corporation holds a controlling interest (see A/6300/Rev.1, chap V, annex, appendix III, para. 130), decided to diversify its production, by acquiring 10,000 hectares on which it intends to plant half a million coconut palms.

61. Sisal. In 1967, sisal production in Mozambique amounted to 31,379 tons, an increase of 477 tons over 1966. Exports amounting to 23,172 tons valued at 100 million escudos reached a new low since the mid-1950s. In contrast to the peak years 1963-1964, when sisal prices were more than 10 escudos per kilogramme and accounted for about 9 per cent of the value of the Territory's

visible exports, in 1967, sisal prices dropped to a range of 4.3 to 5.5 escudos per kilogramme, comprising only 3 per cent of the Territory's exports.

62. Portugal was the principal customer in 1967, taking 25 per cent of the total sisal exports. Other important sisal customers were the Netherlands, 18.6 per cent; the Federal Republic of Germany, 12 per cent; France, 10 per cent; and Italy, 5.3 per cent.

63. Tobacco. As in Angola, tobacco growing is being encouraged by the Government as a new cash crop. Mozambique offers favourable soil and climatic conditions for different types of tobacco. The dark, air-cured types are grown mainly in the Incomati and Limpopo valleys, while flue-cured and burly tobaccos are grown in the Chimoio region of Manica e Sofala District of central Mozambique. Available data on tobacco leaf production and consumption are shown in table 7; export figures appear in table 5 above.

Table 7

Tobacco production and consumption  
of non-manufactured tobacco (tons)

	<u>Production</u>	<u>Internal consumption</u>
1963	1,228	390.5
1964	1,570	785.1
1965	1,634	187.5
1966	1,957	839.0
1967	1,750	839.0

64. In 1968, Mozambique had six tobacco factories, of which four are in Lourenço Marques, one in Beira and one on the Moçambique Island. These produce a total of 1,900 tons of manufactured tobacco annually. To protect domestic production a tax is levied on foreign leaf used by the factories.

65. In 1968, of the 1,226 tons of tobacco leaf exported, 908 tons went to Portugal, 221 tons to France and 90 tons to Angola. Of the manufactured tobacco only 280 tons were exported with 209 tons going to Angola, 31 tons went to Timor and 26 tons were supplied to ships in port.

66. Production in 1968 was expected to reach 4,000-5,000 tons.

67. Food crops. Data on the production of maize, peanuts, rice and wheat are given in table 4. In recent years although wheat production has declined (8,000 tons in 1966 compared with 13,000 tons in 1963, the peak year), consumption has steadily increased, and the Territory has had to import an average of about 50,000 tons a year. In 1967, wheat imports amounted to over 62,000 tons at a cost of 128 million escudos, which represented about 2.2 per cent of the value of the Territory's total imports.

68. Maize production rose from 390,000 tons in 1965 to 440,000 tons in 1966 and 500,000 tons in 1967. Although detailed information is not yet available, 1968 was reportedly another good year for maize except in areas hit by drought, as in the district of Manica e Sofala, the plateau belt and the area south of the Save River.

69. Most of the maize is consumed locally. In 1967, the only maize exported was 25,412 tons to Portugal, valued at 405 million escudos. In 1968, the Cereals Institute had to postpone its purchases of the surplus of the new maize crop as it still had in storage part of the previous crop that had not yet been exported to Portugal owing to the lack of shipping facilities. Subsequently, the Cereals Institute negotiated a new contract with Portugal for the purchase of 110,000 tons of maize and, in July 1968 (Decree No. 48,467 of 4 July), it was authorized to contract a loan of up to 150 million escudos from the Banco Nacional Ultramarino to enable it to purchase and store maize, rice, wheat and peanuts. As a further solution, the Territory has begun a study on the possibility of using 10 per cent of maize flour in bread, as is already done in Angola and Portugal. This would also help to reduce the needed wheat imports.

70. Although rice production has decreased since 1965 (table 4 above) exports rose from 1,100 tons in 1965 to 5,300 tons in 1967.

#### (d) Settlement

71. As in Angola, the need for further European settlement in Mozambique is regarded as an increasingly important factor in the occupation and defence of the Territory. For instance, official publicity has been given to a suggestion that the settlement of demobilized soldiers in the northern districts of Niassa, Cabo Delgado and Tete should form an integral part of the Territory's defence. j/ Regions suggested for such settlements include: the Maconde plateau and Montepuez and Porto Amélia areas in Cabo Delgado; areas of the Vila Cabral plateau, Marrupa, Valadim and Amaramba, in Niassa District; the region of Marávia, Macanga and Angónia in Tete District. (It will be noted that in the two northernmost districts, the areas suggested for settlement are among the major war centres.) The same source also suggests that military settlements should be established along the border areas of Malawi, Tanzania and Zambia in the form of a security cordon, and a first line of defence.

72. Currently the most important settlement scheme is that associated with the Cabora Bassa dam and the resulting development of the Zambezi Valley. According to recent information, the Government's plans to settle on the newly irrigated lands in the Upper Zambezi Valley some 12,000 Portuguese (of whom 5,000 will be returned emigrants from France). During the year, the Government established a special commission to supervise the evacuation from the dam site and regrouping of 24,000 Africans. Although no details are available on the arrangements regarding the financing of the dam, press reports indicate that work on the first phase has already begun.

73. The Maputo River Valley scheme under the Third Development Plan is potentially important. This area, which was one of the first areas of European settlement, is to be further developed at a cost of 1,000 million escudos. The plan calls for the irrigation and drainage of some 34,000 hectares for new settlements. However, implementation of the plan is to await agreement between Portugal, South Africa and Swaziland after an over-all study of the Maputo, Umbeluzi, Incomati river basins.

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j/ Canuto Silveira da Costa. A fixação do militar como factor de valorização do povoamento agrário na Província de Moçambique. Agência Geral do Ultramar, Lisbon, 1967.

74. Up to 1968, the Provincial Settlement Board had not played an important role in the Territory's major existing settlement schemes, each of which, as previously shown, k/ has its own technical brigade and other service personnel. In fact, the Settlement Board's original estimated budget for 1968, published in March, amounted to only 21.6 million escudos, of which 8.8 million escudos was from the Board's own surplus from previous years. Estimated expenditures included 8.86 million escudos for salaries and personnel expenses and 8.6 million escudos for various settlement projects including: 2 million escudos each for the Settlement Commissions of the Niassa and Cabo Delgado Districts; 0.4 million escudos for help to farmers and assistance to rural reorganization and community development schemes; and 1.3 million escudos for draining of an area on the Anglusane River.

75. As part of the Third Development Plan, the Provincial Settlement Board awarded a contract of 40 million escudos in August 1968, for the clearing and levelling of 10,500 hectares in the area of Montepuez, in Cabo Delgado District for the settlement of 800 farming families. The preparation of the land will be phased over three years with 3,000 hectares to be ready in 1968, 4,000 hectares in 1969 and 3,500 hectares in 1970. The Board has also initiated geological and magnetic surveys "of various areas of the Moçambique District".

(e) Industry

76. The contribution of manufacturing and transforming industries to the Territory's gross national product (which rose from 7.4 per cent in 1959 to 8.9 per cent in 1963), has remained around 9 per cent. Since 1965, the total value of manufactured goods has risen from 3,137 million escudos to 4,164.4 million escudos, or about 33 per cent. In 1967, food (1,411 million escudos), beverages, mainly beer and soft drinks (281 million escudos), and tobacco (254 million escudos) accounted for almost half the total value of the Territory's industrial production. Textiles (484 million escudos), chemical products (512 million escudos), petroleum derivatives (580 million escudos), non-metallic minerals (239 million escudos) and transport equipment (105 million escudos) accounted for another 47 per cent. These are also the industries in which the increase in production has been the most significant in the period 1965-1967 (table 8).

77. Details on the performance of this sector in 1968 are not yet available. Among the industries under study are a 1,000 million escudo paper pulp plant to be established by the FASOL group, which includes the Compagnie Générale d'Entreprises Électriques, S.A., the Bank of Suez and the Anglo-American Corporation. Feasibility studies are also being made in connexion with the new steel mill in Tete which the Companhia Urânio de Moçambique has been authorized to build. The plant is to have a capacity of 250,000 tons annually and construction is to be completed in five years. Foreign companies associated with the studies include TECHINT as consultants, the United States R-N Corporation and Kopper's Company, the Société des Etudes et Entreprises Sidérurgiques, Schneider-Creuzot and Sestig.

78. A new soap factory, Saboeiras Reunidas, S.A.R.L. (SABOREL), is being established near Matola. The factory which is expected to cost 40 million escudos will have an annual output of several thousand tons of soap products.

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k/ Official Records of the General Assembly, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V, annex II.

Table 8

Value of manufacturing industry  
(million escudos)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Food	1,154.1	1,474.7	1,411.5
Petroleum derivatives	336.9	486.7	579.7
Chemical products	542.4	455.7	511.8
Textiles	230.1	222.6	484.0
Beverages	193.6	255.7	281.1
Tobacco	185.5	201.5	253.6
Non-metallic minerals	215.8	223.7	239.1
Foot-wear and made up textiles excluding clothing	95.5	96.8	106.8
Transport equipment	62.6	96.3	104.6
Metal products except machinery	30.6	27.3	64.2
Rubber	34.3	36.5	43.5
Timber	25.9	32.7	33.0
Machinery utensils and electrical material	13.6	19.3	26.6
Metal furniture	15.6	18.2	25.1
Total	3,136.5	3,647.7	4,164.6

Source: Standard Bank Group. Annual Economic Review, Mozambique, December 1968, p. 4.

Originally started by a group of soap manufacturers south of the Save River in 1968, SABOREL was acquired by the FASOL group, which holds 98 per cent of the stock. Since this change 25 per cent of the registered capital stock has been offered for sale to the public.

79. The SONAREP group (see A/7320/Add.1, appendix III) has requested a licence to establish a match factory in the district of Lourenço Marques, with an annual capacity of 850,000 tons.

(f) Mining

80. There is very little new information concerning mining activities in Mozambique. 1/

81. Although petroleum has not yet been found in Mozambique the new mining concessions contributed almost 600 million escudos in foreign exchange in 1967 (see para. 32 above). No information is available as yet for 1968.

82. Among new concessions granted in 1968 was a licence to the Messina Transvaal Development Co., Ltd to prospect for all minerals except diamonds, petroleum, coal and other solid fuels and radioactive minerals.

1/ For full background information on this subject see A/6000/Rev.1, chap V, appendix, annex I, paras. 234-290 and Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 24 (A/6868/Add.1, appendix III, and more recent information, especially on new investments, in A/7320/Add.1, appendix III, paras. 117-153.

83. Several new mineral deposits were discovered during the year, including silver deposits in the vicinity of the iron ore area near Nampula in northern Mozambique; tourmaline deposits near Nova Freixo fifty miles from the Malawi border; gold deposits in the Marondo mountains in Manica District; bauxite deposits in the Namus River basin in Cabo Delgado and at Vila Manica, in Manica e Sofala District, where manganese has also been found.

(g) Transport and communications

84. Ports. Transit traffic through the ports of Beira and Lourenço Marques, which is one of the Territory's principal sources of foreign exchange, continued to increase in 1967. As previously noted (A/7200/Add.3 and Corr.1, annex III, paras. 79-83) it is difficult to assess the change in the traffic through Beira as a result of sanctions against Southern Rhodesia, partly due to conflicting statistics. The data published in the Mozambique Monthly Bulletin of Statistics show, for instance, that the total traffic through Beira rose by 100,000 tons in 1967, while that through Lourenço Marques rose by almost 1,600,000 tons, with outgoing traffic accounting for most of this increase. On the other hand, statistics published by the Banco Nacional Ultramarino show that, between 1966 and 1967, traffic through Beira increased by nearly 400,000 tons, almost evenly divided between imports and exports. Although this source also reports a higher figure for the total traffic through Lourenço Marques, the increase between 1966 and 1967 amounts to 1,808,000 tons which is closer to the figure given in the monthly statistical bulletin than in the case of the Beira traffic where the difference is 300 per cent (table 9).

Table 9

Comparison of statistics on cargo traffic  
through Beira and Lourenço Marques  
(thousand metric tons)

	Beira			Lourenço Marques		
	<u>Incoming</u>	<u>Outgoing</u>	<u>Total</u>	<u>Incoming</u>	<u>Outgoing</u>	<u>Total</u>
<u>Boletim Mensal<sup>a/</sup></u>						
1964	1,179.2	1,306.9	2,486.1	2,022.3	3,933.5	5,955.8
1965	1,692.8	1,498.6	3,191.4	2,111.8	4,670.6	6,782.4
1966	1,088.8	1,482.6	2,571.4	2,346.1	5,463.5	7,809.6
1967	1,141.0	1,530.3	2,671.3	2,647.2	6,749.1	9,396.3
<u>Banco Nacional Ultramarino<sup>b/</sup></u>						
1966	1,491.4	1,636.4	3,127.8	3,318.8	6,064.7	9,383.5
1967	1,687.7	1,831.7	3,519.4	3,543.8	7,647.9	11,191.7

a/ Mozambique: Boletim Mensal de Estatística, No. 5, May 1968.

b/ Banco Nacional Ultramarino, Boletim Trimestral (No. 73), first quarter, 1965.

85. In spite of the growing traffic through Lourenço Marques, it is reported that in 1968, under the Transvaal Mozambique Convention of 1928, revised in 1964, South Africa paid an indemnity of R4,382,600 (about 160 million escudos) to the Mozambique Railway. Under that agreement, in return for permission to recruit mine workers from Mozambique, South Africa guarantees the transit through Lourenço Marques of 40 per cent of the total tonnage of commercial sea-borne imports into what is referred to as the "competitive area" namely the industrial heart of the Transvaal (see A/6300/Rev.1, chap. V, appendix V, para. 23). This was the fourth time since 1928 that South Africa has had to pay an indemnity.

86. Port expansion works in progress during 1968 included the following at Lourenço Marques: (a) the expansion of the Gorjão quay to permit the loading and unloading of two ships at a time at a cost of 100 million escudos; (b) the construction of loading areas at Matola: one to permit the handling of petroleum from 50,000 ton tankers and two for wood-carrying ships at a total cost of about 15 million escudos; (c) the extension of the petroleum quays to handle coal-carrying ships of up to 50,000 tons.

87. Railways. Under the Third National Development Plan an expenditure of 493.2 million escudos is envisaged in 1968 for the improvement of the railways. In January 1968, the Mozambique Harbours, Railways and Transport Administration was granted a loan of 50 million escudos from the Banco Nacional Ultramarino for five years at 2 per cent per annum, for the construction of the rail link from Nova Freixo to the Malawi border; in August it was allocated 447 million escudos for the work to be carried out under the development plan. In November 1968, the Railways Administration was authorized to purchase 522 cars at a total cost of 171 million escudos to be paid for in seven annual instalments.

88. Among other developments, it was reported in 1968 that the Mozambique Government had placed an order for sixteen new Diesel locomotives from the General Electric Company of New York (United States). There are also plans to install radio telephones on all locomotives on the Limpopo line.

89. Roads. An estimated 835 million escudos was allocated for road building and improvements in 1968. The Cabora Bassa dam scheme is expected to lead to further expansion of the road system. Plans include a road link from Tete District to the border with South Africa and a new bridge across the Zambezi River linking Tete with Matundo, to be completed by mid-1970.

90. Airports and air transport. According to a press report, the Mozambique domestic commercial airline DETA has recently purchased two Boeing 737-700 jet planes from the United States at a cost of 120 million escudos. The new planes are to be used for flights between Lourenço Marques, Beira, Quelimane and Nampula, and between Mozambique, South Africa and Southern Rhodesia.

91. Several new airports and air strips are under construction and three others are being extended. New air strips are being built at Mecúfi, Meloco and Naireto in Cabo Delgado District. In March 1968 (Portaria No. 23,265 of 12 March) an expenditure of 35 million escudos was authorized under the Third National Development Plan for the construction (now under way) of the airport at Quelimane (58 million escudos) and the airport at Porto Amélia and the landing field at Inhaca (27 million escudos). The expenditure is to be phased over three years with 16 million escudos from funds under the Transitional Development Plan and the remainder from the regular budget of the Territory for 1968 and 1969.

(h) Public finance

92. The final accounts for 1967 show that the actual ordinary revenue collected was 5,978 million escudos which was 32 per cent higher than the budget estimates and 27.5 per cent above the actual revenue in 1966 (see table 10 A below). As a result of the changes introduced in the latter part of 1966 (see A/7200/Add.3 and Corr.1, annex III, para. 89) receipts from direct taxes increased by almost 30 per cent; receipts from industries under special régimes were 20 per cent higher than in 1966, while consigned receipts, which include revenues from ports, harbours and railways, rose from 2,865.5 million escudos in 1966 to 3,278.6 million escudos in 1967, an increase of almost 15 per cent (table 10A).

93. Actual expenditure in 1967 was 26 per cent higher than the estimates and 13 per cent above the actual expenditure in 1966. The largest single increase was for development services, on which expenditure rose from 2,346 million escudos to 2,625.4 million escudos. Other significant increases were public debt servicing, 19 per cent; military expenditure, 11.4 per cent; and government administration, 20 per cent (table 10B).

94. The 1969 budget is balanced at 5,967.7 million escudos, which includes 125 million escudos for the extraordinary budget. Consigned receipts which are 12 per cent above the 1967 estimates, are expected to provide just under half of the total ordinary revenue (table 10A). The main increases in estimated expenditures are for general administration and other government activities, reflecting the salary increases approved by the Government in December 1968.

(i) Development financing

95. Transitional Development Plan 1965-1967. Available information shows that the total actual expenditure under the Transitional Development Plan for 1965-1967 amounted to only 1,583.1 million escudos, or 29.3 per cent of the original target of 5,400 million escudos.

96. Table 11 below, which is compiled from official information, shows that annual development expenditure under the Transitional Development Plan dropped from 551.8 million escudos in 1965 to 529.6 million escudos in 1966 and to 501.7 million escudos in 1967. The priority given to transport and communications is shown by the fact that it accounted for more than half the actual expenditure, while only about one quarter of the original target amount was spent on health, education and welfare, and less than one fifth of the original target was spent on the development of agriculture, forestry, livestock and hydroelectric power. Although the Transitional Plan had envisaged that 70 per cent (3,800 million escudos) of the necessary funds would be found from national sources and the remaining 1,500 million escudos from outside sources, there is no information on the share of foreign financing. It appears that the main sources of funds were development bonds and loans, while about 30 per cent was from the sobrevalorização tax levied on certain exports to foreign countries (see for instance, para. 50 above).

Table 10

Public financeA. Revenue: 1966-1969  
(million escudos)

	<u>Actual</u>		<u>Estimates</u>		
	<u>1966</u>	<u>1967</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
Total revenue	5,898.8	6,616.8	4,595.4	5,214.4	5,967.7
Ordinary revenue	5,290.0	5,978.0	4,522.5	5,114.4	5,842.6
Direct taxes	714.4	910.6	759.4	914.5	1,044.9
Indirect taxes	853.0	834.8	805.1	773.3	811.8
Revenue from services	243.8	258.4	138.1	298.9	332.0
Industries under special régime	312.3	397.8	269.5	354.3	574.2
Income from state and private industries	26.4	35.8	28.7	31.8	35.3
Earnings on capital	6.6	9.7	8.6	7.6	7.9
Refunds	268.4	252.2	246.0	267.9	267.2
Consigned receipts	2,865.5	3,278.6	2,267.1	2,446.1	2,769.4
Extraordinary revenue	608.7	638.8	730.4	100.0	125.1

B. Expenditure: 1966-1969

Total expenditure	5,863.5	6,341.0	4,594.0	5,214.4	5,967.7
Ordinary expenditure	5,121.0	5,701.2	4,522.0	5,114.4	5,842.6
Public debt	247.1	294.1	287.0	318.0	325.1
General administration	802.3	885.9	774.0	939.5	984.8
Development services	2,346.0	2,625.4	1,817.0	2,021.8	2,349.1
Military expenditure	690.0	783.4	678.0	836.5	900.0
Navy Department			93.5	95.0	112.3
Other	680.3	758.9	593.0	597.6	833.5
Extraordinary expenditure	742.5	639.8	730.4	100.0	125.1

C. Selected items of estimated expenditure: 1967-1969

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Agricultural Department	21.6	34.0	42.0
Education a/	164.6	190.6	214.1
Public health services	189.6	221.2	241.9
PIDE	28.3	33.0	41.5
Prisons	11.0	13.6	14.7
Ports, harbours and railways	1,390.0	1,520.0	1,692.0
Post, telegraph and telephone	215.9	239.1	262.9
Settlement Board	12.8	12.5	13.5

Source: For 1966: Portugal: Anuário Estatístico (vol. II), 1966; for 1967: EM (Economia de Moçambique) (vol. V, No. 8), August 1968, p. 36; for estimates 1967, 1968 and 1969, see budgets for the respective years.

a/ Does not include the subsidy to Catholic missions which was 69.5 million escudos in 1967, 70 million escudos in 1968, and 72.7 million escudos in 1969.

Table 11  
Transitional Development Plan expenditures, 1965-1967  
(million escudos)

<u>Sector</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Total</u>	<u>Original target</u>	<u>Expenditure as a percentage of target</u>
Research and surveys	10.6	7.1	8.5	26.2	46.0	56.9
Utilization of resources a/	222.9	156.4	147.2	526.5	2,959.0	17.8
Transport and communications	227.9	336.6	294.9	859.4	1,751.0	49.0
Health, education and welfare	61.1	22.2	43.6	126.9	500.0	25.4
Local development	25.6	7.3	7.5	40.4	114.0	35.4
Other	3.7	-	-	3.7	30.0	12.3
Total	551.8	529.6	501.7	1,583.1	5,400.0	29.3

Sources: For 1965 and 1966: Anuário Estatístico de Portugal (vol. II) 1966; for 1967: Mozambique. Boletim Oficial, 2º Suplemento, II Series (No. 28), 18 July 1968 (Contas de Gerência e Exercício de 1967).

a/ Includes agriculture, forestry, fisheries, industry and electric power.

97. The Third National Development Plan 1968-1973. As reported last year (A/7200/Add.3 and Corr.1, annex III, para. 93), planned investments under the Third National Development Plan 1968-1973 for Mozambique amount to 15,555.7 million escudos. Although the target expenditure for 1968 was 2,487 million escudos, only 2,249.5 million escudos had been authorized by the end of the year. Government sources were to provide 54.6 per cent of the funds, credit institutions about 13 per cent, private sources over 25 per cent and foreign sources about 6 per cent.

98. The authorized expenditures for 1968 are shown by sector below.

Third National Development Plan  
1968-1973

(million escudos)

	<u>Target</u>	<u>Authorized</u>
Agriculture, forestry and fisheries	290.4	357.6
Extractive and manufacturing industries	829.0	688.0
Construction, public works and rural development	24.7	24.7
Power	14.8	128.0
Commerce	8.4	15.0
Transport and communications	1,057.6	831.6
Education and research	178.6	170.5
Tourism	6.0	4.0
Health and welfare	37.5	30.2
Total	<u>2,447.0</u>	<u>2,249.6</u>

Source: Portugal: Presidência do Conselho. III Plano de Fomento, Programa de Execução para 1968, Lisbon, 1968; The Standard Bank Group, Annual Economic Review, Mozambique, December 1968.

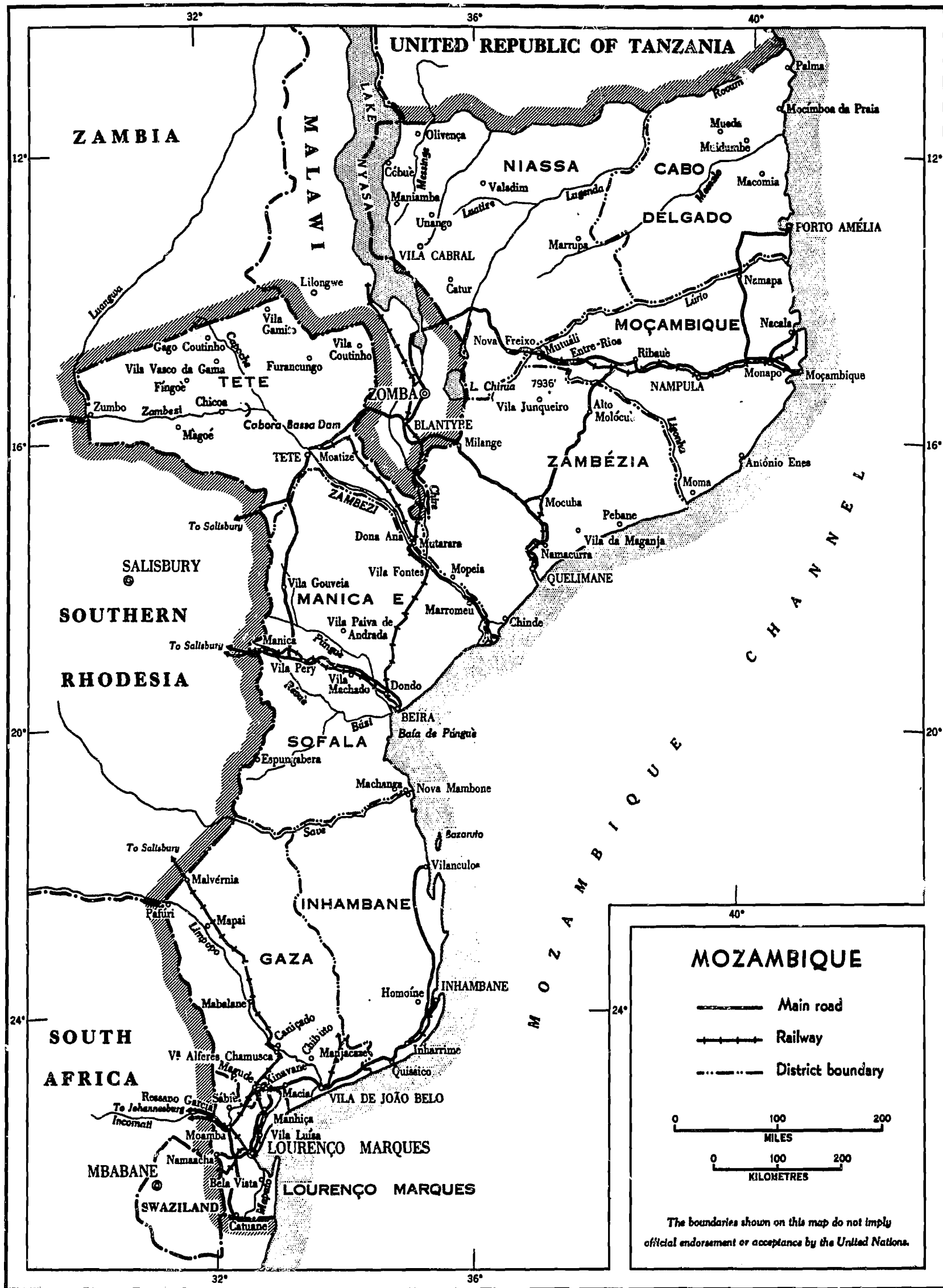
### Education

99. Detailed school statistics are not yet available for 1968. According to a press report, during the 1968/1969 school year, there were a total of 531,551 pupils enrolled in school, with 510,170 in primary schools, 5,199 in academic secondary schools (liceus), 10,738 in technical secondary schools and 5,444 in the preparatory cycle of secondary schools. In addition, there were 1,047 students enrolled in the Estudos Gerais Universitários which became the University of Lourenço Marques in December 1968.

100. During 1968, sixteen new preparatory secondary schools were established: four in the city of Lourenço Marques; three in Moçambique District, one at Moçambique and two at Nampula; two each in Zambézia and Manica e Sofala Districts; and one each in the Gaza, Inhambane, Niassa, Cabo Delgado and Tete Districts (Decree No. 48,608 of 7 October 1968). Preparatory secondary classes were also added at two existing elementary technical schools.

101. As in Angola, two extra years are to be added to the existing primary school system so that compulsory primary education in Mozambique will also be for six years.

102. A university city is to be built in Lourenço Marques. The plan calls for the construction first of the Institute of Agriculture, followed by the Institutes of Mathematics, Physics, Chemistry, Mineralogy, Zoology and Sports. During the year a geology course was added to the university curriculum, and a Department of Nuclear Studies and a new clinic unit are to be added to the Miguel Bombarda Hospital.



MAP NO. 1388 REV.3 UNITED NATIONS  
MARCH 1969

ANNEX IV\*

GUINEA, CALLED PORTUGULISE GUINEA

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\* Previously issued under the symbol A/AC.109/L.538/Add.3.

GUINEA, CALLED PORTUGUESE GUINEA<sup>a/</sup>

Constitutional and political

1. There were no constitutional or legislative changes in 1968 affecting the status of the Territory.

(a) Territorial Government

2. In May 1968, Brigadier António Spínola was appointed Governor and Commander-in-Chief of Guinea, called Portuguese Guinea, to succeed General Arnaldo Schulz who had completed his two-year term. Brigadier Spínola served in Angola from 1961 to 1964 and was Deputy Commander General of the Portuguese National Guard at the time of his appointment.

3. In July 1968, Lt. Col. Pedro Alexandre Gomes Cardoso was appointed to the post of Secretary-General which carries with it responsibilities as deputy governor. b/ Lt. Col. Cardoso is reported to be a graduate of the United States Armed Forces Staff College and to have received training in the United Kingdom Army Intelligence Corps. In 1961-1962 he was in Angola as Director of the Territorial Information Centre. He has represented Portugal on the Security Committee of the North Atlantic Treaty Organization (NATO) in Paris and was a member of the Portuguese delegation to the seventeenth session of the General Assembly. At the time of his appointment he was serving at the military headquarters of the Mozambique Region.

(b) Legislative Council

4. In July 1968, the Legislative Council held an extraordinary session to discuss changes in the structure of the Public Security Police (PSP) and a new loan to improve the telecommunications network. Subsequently, at its regular session at the end of 1968, the Legislative Council approved an increase in the number of security police and the regulations of the government radio station in Bissau. Early in 1969, the Ministry of National Defence established a branch of its Telecommunications Co-ordinating Commission in the Territory.

Military activities

(a) The war situation

5. According to the Portuguese military communiqués, during 1968 intense guerrilla activity continued in the whole region south of the Corubal River; in most of the Territory north of the Geba River, including the populous Oió region northeast of Bissau, and in areas bordering Senegal and the

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a/ For general information on the Territory see Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (part II) (A/6700/Rev.1), chap V, para 317.

b/ See Official Records of the General Assembly, Nineteenth Session, Annexes, Annex No. 8 (part I) (A/5800/Rev.1), chap. V, paras. 41-45 and 174-175

Republic of Guinea. Even in the sparsely populated eastern region, which is officially claimed as a Portuguese stronghold (the President's visit in February was given much publicity as an evidence of the Government's complete control over the Territory), there were sporadic guerrilla activities, for instance, the mining of the main road from Nova Lamego to Cabuca (see map below). The only areas not mentioned in the military communiqués during the year were the coastal areas of the Territory and the thinly populated islands along the coast which constitute the Bijagós circunscrição. c/

6. There were frequent reports of nationalist attacks on Portuguese barracks and on troop movements by boat, airplane or helicopter, particularly in the Oió area, and of constant guerrilla activities close to the main towns of Mansoa, Farim, Bissorã, Bigene, São Domingos and Teixeira Pinto. Official sources also admitted guerrilla attacks in the concelho of Bissau, though not in the capital itself, where the Partido Africano da Independência da Guiné e Cabo Verde (PAIGC) claims it attacked the airport in February 1968.

7. A detailed account of the war in Guinea, called Portuguese Guinea, was published during the year in the official periodical Ultramar. d/ According to this source, up to the end of 1967 the region "most affected by PAIGC activities" was the north central area known as Oió, and almost the whole western half of the Territory south of the Geba River, which includes the concelhos of Fulacunda, Catió and parts of Bafatá. Describing the conditions in this region, the article reports that the rural population under PAIGC control lives in small nuclei, cultivates the land and pays taxes to the nationalist organization while the Portuguese are confined to garrisoned towns and villages, most of which can only be supplied by light aircraft and helicopter. Some small Portuguese garrisons are completely isolated during the rainy season. From their military posts, Portuguese troops attack the nationalist controlled areas by air and by boat. As penetration into this region is difficult, owing to the rugged terrain and guerrilla activities, the Portuguese shell from the air the areas where the presence of nationalists is suspected.

8. According to the reports of PAIGC, during the rainy season of 1968 (May-November) its main activities were concentrated on systematic attacks against Portuguese military camps throughout the Territory. In addition, PAIGC claims that in the north it sank a Portuguese boat at the Tancurual port and another at the Concoli port; in the east, it ambushed a Portuguese military convoy on the Nova Lamego-Pitche route near the village of Dará, destroying a Portuguese tank and a lorry and capturing a Portuguese soldier. In February 1969, summing up its military activities during the past year, Mr. Amílcar Cabral said that PAIGC forces had killed 1,700 Portuguese soldiers, destroyed or damaged 200 vehicles, 60 boats and 10 aircraft, and captured 24 prisoners of war. Of these prisoners, PAIGC has released six to the International Red Cross through the Senegalese Red Cross in Dakar: three were released in March and three in December 1968. On both occasions Mr. Cabral said that the humanitarian gestures were intended to show PAIGC's willingness to negotiate a peaceful solution with Portugal. At a press conference held in Stockholm in

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c/ The Territory is divided into nine concelhos: Bafatá, Bissau, Bissorã, Bolama, Cacheu, Catió, Farim, Gabu and Mansoa; and three circunscrições: Fulacunda, São Domingos and Bijagós. See map.

d/ F.J.H. Rebelo de Andrade: "Acção das Forças Armadas na Guiné Portuguesa", Ultramar (No. 32), Lisbon, 1968, pp. 176-200.

November 1968, he expressed his confidence that PAIGC objectives could be attained by negotiations with the new Portuguese Government.

9. During the year, a number of articles appeared in the international Press giving first-hand accounts of visits under the protection of PAIGC to the liberated areas of the Territory. According to one source, in April 1968 the only areas under government control were Bissau, the capital, Bolama Island, the little Bijagós islands and a central area of the Territory. In the rest of the country Portuguese troops were said to hold only a number of isolated "protected villages" (sometimes referred to as strategic hamlets) which depended on helicopters and light aircraft for reinforcements, ammunition and supplies.

10. Another source, which attributed General Schulz's recall to the failure of his policy of "protected villages", reported that following his appointment in July, Brigadier Spínola decided to evacuate the more isolated of the military camps. It quotes PAIGC that the first of these to be evacuated was Beli, the district capital of the Boé region, and that, by August, seven others had been evacuated (Contabane and Gâ-Genia on 1 July, "Culbia" (presumably Colibuia) and Cumbijá on 10 July, Catchil on 16 July and "Cocoa" (presumably Cacao) and Sangonhá on 4 August). Some of these places have been mentioned in Portuguese military bulletins among other areas where intense guerrilla warfare had made it necessary to transfer the whole village population to new areas. In 1968, for instance, these included Africans originally, regrouped at Contabane, Colibuia, Cumbijá, Sangonhá and Cocoa. In July 1968, the administration of the Fulacunda circunscrição was transferred from the town of Fulacunda to Tete which is further west near the coast.

11. One observer who visited the Territory from the Portuguese side, however, reported in June 1968 that the situation had improved since 1967 and that guerrilla infiltration had been slowed down. This source attributes the change to both military and civil measures taken by the Portuguese, including more extensive use of air raids, the setting up of army posts near the borders, increased naval patrols in flat-bottomed assault craft along the Cacine River and measures to regroup and win over the population through economic and social benefits similar to those offered in the war areas in Angola and Mozambique.

12. Nevertheless, by October, the situation in Guinea, called Portuguese Guinea, was reported to be so serious that some groups in Portugal were said to be in favour of withdrawing from the Territory to cut the financial and military drain. The Army Chief of Staff, General Câmara Pina, was reported to have described the situation in the Territory as "very difficult", and the degree of infiltration as being "like microbes in the blood stream".

13. However, in his first speech to the National Assembly on 27 November, Prime Minister Caetano made it clear that not only there would be no change in Portugal's overseas policy but that it would continue to "defend" Guinea, called Portuguese Guinea. He explained that unlike Angola and Mozambique, "Guinea" was small in area, unsuitable for settlement and had no important natural resources. The purpose of Portugal's presence in "Guinea" had therefore been, and continued to be, to pacify and unify politically all the various races which had different customs and religions; to develop the Territory's economy; to protect indigenous labour and to improve health conditions.

The great majority of the population of "Guinea" was fighting with Portuguese troops against "terrorism". But "terrorism" in this Territory, according to the Prime Minister, has been more extensive and more efficiently supported from sources interested in winning it as the necessary base from which to gain control over the Cape Verde Archipelago. The Archipelago holds a key position in communications between the North and South Atlantic and even between the coastal countries on either side of the Atlantic. Recent events, the Prime Minister said, had made it even more necessary for the interest of Europe that Cape Verde should remain in friendly hands. This was why Portugal had to defend "Guinea" and it was not only in Portugal's own self-interest but also in the interest of Western Europe and even of the Americas.

14. Following Governor Spínola's report to the Supreme National Military Council on the latest military situation in the Territory, in December 1968 seven more divisions of troops were sent to Guinea, called Portuguese Guinea, bringing the total number of troops to an estimated 37,000 (other sources, however, put the total at about 10,000 less).

15. In January 1969, following a clash with PAIGC forces at Bigene near the border with Senegal, official military bulletins reported the capture by Portuguese troops of some ten tons of armaments from the guerrillas. These armaments, along with other captured war material, were shown to the military attachés of the Lisbon embassies of the Federal Republic of Germany, Italy, Spain, the Republic of South Africa, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The attachés visited Bissau in February 1969 as part of their tour of the war areas in the African Territories under Portuguese administration (see annex I above, para. 80). In February 1969, a Portuguese military communiqué reported that forty-seven Portuguese troops were drowned when their raft sunk crossing the Corubal River which is the main waterway in the southern region; an official inquiry has since concluded that it was an accident.

16. In the first two months of 1969, PAIGC claimed that it had forced the Portuguese troops to abandon the military posts of Balaña, Gandembel and Madina, thereby freeing the whole region of Boé, which covers 3,500 square kilometres in the eastern part of the Territory.

#### (b) Military expenditure

17. In 1968, the Territory's estimated military budget was 92.8 million escudos, e/ about 5 per cent higher than in 1967. Of the total, 35.3 million escudos were for the air force, 30.5 million escudos for the army and 27.0 million escudos for the navy. Territorial revenue provided 12.2 million escudos and 80.6 million escudos was from Portugal's extraordinary budget.

#### (c) Other war efforts

18. In Guinea, called Portuguese Guinea, more than in the other Territories, the Government has sought to bring about closer involvement of the local population in its efforts to win the war. Portuguese sources show, for instance, that a large number of Africans have been drafted to serve in the armed forces and that the militia and the local population, which have been organized into

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e/ One escudo equals \$US.035.

self-defence units and supplied with armaments, are called upon to take a main share in the military activities. It is reported that there are some 500 villages armed, surrounded by trenches and provided with shelters, and that they account for 42 per cent of the total Portuguese arms used in the war.

19. On the administrative level, since 1967 new councils, known as cadmils, have been established in certain areas to associate Africans in the solution of local problems. These council are composed of the local military commander, the local administrative authority and the African chief of greater prestige in the area. Because of difficulties in communication, the cadmils have the authority to take decisions without consultation with the territorial Government in Bissau. Among other things, these councils are responsible for regrouping the African population into protected villages; zoning for self-defence; distribution of armaments to local populations and their training in the use of arms; military supervision of agricultural work and transport and marketing of agricultural output; supply of goods to isolated villages; public works, such as construction of air strips and opening up new roads; and intelligence activities in areas under PAIGC control.

20. According to one report the cadmil at Nhacra, near Bissau has developed rice-growing co-operatives and, around Mansoa, rice production sold to the administration increased from 800 tons in 1966/1967 to 2,000 tons in 1967/1968. In the north, near the border of Senegal, the cadmil is reported to have organized a ground-nut scheme and bought new ploughs to revolutionize farming methods in the area.

21. As in Angola and Mozambique, Portuguese military communiqués began in 1968 to report more frequently on the return of African refugees and the "recovery" of Africans previously living in guerrilla-controlled areas. The numbers involved, however, were generally much smaller than those in the other two Territories, and rarely exceeded a few score. Although some Africans were taken prisoners, others were regrouped in special villages under military control. In December 1968, Governor Spínola is reported to have released 150 Africans who had been imprisoned since their capture by Portuguese troops.

22. The Government has also stepped up the use of the new radio station in an effort to win over the population. Recent public statements by the Governor, in particular, have emphasized measures already taken as well as further plans to improve the standard of living in the Territory.

23. On his return from Lisbon in November, for instance, Governor Spínola told the Legislative Council that, apart from strengthening the armed forces in the Territory with more Portuguese troops, the Portuguese Government was planning an investment of over 500 million escudos in the Territory under the Third National Development Plan, 1968-1973. He said that in addition to the increase in salaries and the cost of living allowance for civil servants, the minimum wages in the Territory would be revised and the régulos (traditional authorities) f/ would be paid a regular salary. The Governor emphasized that these measures would not entail any tax increases in the Territory.

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f/ In Guinea, called Portuguese Guinea, the chief of a regedoria is known as a régulo. For details on the system of local administration, see A/5800/Rev.1, chap. V, paras. 46-53.

24. Since December 1968, the Portuguese Press has also reported frequent visits by Governor Spínola to towns and villages in the Territory to inspect military facilities and to meet with African chiefs to discuss security problems.

25. In March 1969, Governor Spínola broadcast a message over the new radio station to the people of the Territory and to those living in the neighbouring countries appealing for their support. Persons who advocated the independence of "Guinea", he said, were either blind or had put foreign or personal interests above the real interests of the people of the Territory. Discussing the Territory's future, he pointed out that "Guinea" was a small country without resources to develop the economic infrastructure and social institutions necessary to a modern society. Portugal had, therefore, channelled large sums of money to the Territory which would eventually make it a better place to live in. Among the improvements would be paved roads, river ports, more schools, including academic and technical schools, so that more people would "naturally have access to the highest posts in the administration"; as well as more hospitals and dispensaries, agricultural co-operatives and industries to process agricultural, livestock and fish products. This would be done with the assistance of "regional troops, armed and trained to defend the land and the people against the enemy". This would be a new "Guinea" with a future better than the past and the present, and which would attain the expected progress. All this was only possible because the Territory was not alone but formed an integral part of the Portuguese nation which had an imperative responsibility for all its development. It was, therefore necessary, he emphasized, that "the good people" should realize that there was no better solution to their real interests. It was up to each person, he said, to choose freely and consciously between "living in peace under the Portuguese flag and working to improve conditions" and "living in the turbulence of war in a vain hope for an independence that will lead to the disappearance of Guinea and a worse life".

#### Economic conditions<sup>g/</sup>

##### (a) External trade and payments

26. Although published data show that, in 1967, the Territory's balance of trade improved slightly over the previous year, the gains were not sufficient to offset the continuing downward trend. The following table shows that in spite of the small increase, the value of exports in 1967 was only 43 per cent of that in 1961.

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<sup>g/</sup> For a more detailed description of the economy of the Territory see A/6700/Rev.1, chap. V, paras. 325-363.

Table 1

External trade  
(million escudos)

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Imports	297.2	327.3	407.2	421.4	417.2	507.3	471.1
Exports	<u>211.1</u>	<u>188.9</u>	<u>166.5</u>	<u>156.2</u>	<u>105.8</u>	<u>85.1</u>	<u>91.1</u>
Balance	- 86.1	-138.4	-240.7	-265.2	-311.4	-422.2	-380.0

Source: For 1961-1965: A/6700/Rev.1, para. 326; for 1966-1967: Portugal: Banco Nacional Ultramarino, Boletim Trimestral (No. 73), Lisbon, first quarter of 1968, p. 56.

27. Since 1965 there has been a further drop in exports of unshelled and shelled ground-nuts and coconuts, which make up more than 85 per cent of the total exports of the Territory by value. The main exports by value for 1965, 1966 and 1967 were as follows:

Table 2

Principal exports 1965-1967  
(million escudos)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Unshelled ground-nuts	4.7	...	-
Ground-nuts	59.6	48.2	49.0
Coconuts	30.2	25.0	26.2
Ground-nut and coconut bagasses	1.9	1.9	2.3
Lumber	1.2	1.7	1.4
Beeswax	1.6	1.1	1.1
Hides and skins	2.0	1.8	0.7
Ground-nut oil	0.5	0.4	0.6

Source: Portugal: Banco Nacional Ultramarino, Boletim Trimestral (No. 73), Lisbon, first quarter of 1968, p. 56.

28. Detailed statistics on the Territory's imports in 1967 are not yet available. Recently published data (see table 3 below) show that between 1963 and 1965 the largest increases were in such items as wheat flour, tobacco, vehicles and parts, machinery and radios, mainly items for the Portuguese troops. In 1966, however, there was a cut-back in most of these imports, with the exception of wheat flour. Before 1963, the Territory used to be self-sufficient in rice, which is the main staple crop, but in recent years it has been necessary to import rice which has been exempt from custom duties and other fees.

29. More than 90 per cent of the Territory's exports go to Portugal. Its second client is the Federal Republic of Germany, which absorbs an average of 5 per cent of the Territory's exports. Portugal, the Territory's main supplier, in a typical year accounts for over 65 per cent of its total imports by value. Other important suppliers are the United Kingdom (about 5 per cent); the Federal Republic of Germany (about 3 per cent); Brazil (about 2.5 per cent); and Japan and the United States (about 2 per cent each).

Table 3

Selected principal imports 1963-1966  
(million escudos)

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>
Rice	11.6	11.3	19.7	9.2
Wheat flour	5.4	11.6	8.8	12.8
Leaf tobacco	15.0	17.1	29.4	16.5
Preserved foods	2.8	6.1	6.5	3.6
Gasoline	3.1	3.5	1.7	1.7
Machine and equipment	9.9	10.0	19.6	14.6
Vehicles and parts	11.5	10.1	19.9	12.7
Radios	2.5	3.7	7.0	6.2

Source: Portugal: Agência Geral do Ultramar, Ultramar (No. 32), Lisbon, second quarter of 1968, p. 212.

30. The following data on the Territory's balance of payments with Portugal show that in 1967 the transfer of government funds was mainly responsible for offsetting what would otherwise have been a large deficit resulting mainly from the adverse balance of trade, and to a lesser extent from transfers of private funds and income from capital, which amounted to about 40 million escudos.

Table 4

Balance of payments with Portugal in 1967  
(million escudos)

	<u>Incoming</u>	<u>Outgoing</u>	<u>Balance</u>
Goods	102.2	479.0	- 376.8
Income from capital	-	20.2	- 20.2
Private transfers	0.7	18.7	- 18.0
Tourism	0.1	10.5	- 10.4
Transports	0.2	5.6	- 5.4
Private capital transactions	...	0.2	- 0.2
Public capital transactions	-	0.2	- 0.2
Insurance	0.2	0.3	- 0.1
Government	415.9	2.8	+ 413.1
Other services	44.5	26.1	+ 18.4
Total			+ 0.2

Source: Portugal: Banco Nacional Ultramarino, Boletim Trimestral (No. 73),  
Lisbon, first quarter of 1968, p. 57.

(b) Industry

31. As previously reported (see A/6700/Rev.1, chap. V, para. 337), in April 1966 a credit bank (Caixa de Crédito) was established in the Territory to provide credit for agriculture, livestock, industry and real estate (Decree No. 46,954, 11 April 1966). By the end of 1968, the Caixa had granted two loans totalling 2.9 million escudos: one for 2.5 million escudos for public transportation in Bissau, and another for 400,000 escudos to a mosaic factory. Loan applications under consideration included 1.5 million escudos for a real estate undertaking, 900,000 escudos for small industries and 500,000 escudos for agricultural projects.

32. In 1968, projected new industries included a 30-million-escudo brewery and a 5-million-escudo soft drink factory; a partly government-owned cashew-processing plant involving a total investment of 19.8 million escudos; and oyster-processing plant to export oysters from the Territory; a brickyard and a tannery. The Territorial Government authorized three local autonomous bodies - the Bissau Port Authority, the Banking Inspectorate and the Postal Savings Bank - to subscribe up to 750,000 escudos in shares of the Sociedade Frigorífica da Guiné, S.A.R.L (SCFRIGO) which is a partly government-owned fishery established in 1966 (see A/6700/Rev.1, chap. V, para. 339). In January 1969 (Decree No. 48,827, 2 January), the Portuguese Government authorized the territorial Government to guarantee a loan of 2.9 million escudos from the credit bank to SCFRIGO.

33. The published accounts for 1967 show that actual ordinary revenue was 223.1 million escudos, which is 14.8 per cent more than ordinary revenue in 1966. Table 5 A shows actual revenue in 1966 and 1967 and estimated revenue for 1968.

34. In 1967, actual expenditure remained practically at the same level as in 1966. There were slight increases in expenditure for development services and general expenditure, but the amount spent on servicing the public debt dropped by 39.3 per cent, from 26.2 million escudos in 1966 to 15.9 million escudos in 1967. In the 1968 estimates, the amount for servicing the public debt was even further reduced (see table 5 B below). As it has become clear that the Territory cannot afford to pay the interest and repayment on the loans from Portugal for the implementation of the Development Plan, h/ the Portuguese Government recently suspended the collection of interest and the amortization of loans from Guinea, called Portuguese Guinea. At 31 December 1966, which is the latest information available, the Territory's public debt amounted to 155.7 million escudos, of which 113.6 million escudos were loans from Portugal.

35. During 1968, an additional 10 million escudos were added to the extraordinary budget from a loan granted to the Territory by the Banco Nacional Ultramarino. This loan, at an annual interest rate of 2.5 per cent repayable in ten years starting in 1970, is to finance water and electricity supply works in Bissau (Decree No. 48,028, 6 November 1967, and Portaria No. 23,246, 26 February 1968).

36. The ordinary estimated expenditure for 1969 was reported to total 190 million escudos, which is some 6 per cent higher than the 1968 estimates. Revenue from petroleum concessions was estimated at 20 million escudos.

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h/ See A/7200/Add.3, chap. VIII, annex IV, para. 26.

Table 5

Guinea, called Portuguese Guinea: Public financeA. Revenue  
(million escudos)

	<u>1966</u> (actual)	<u>1967</u> (actual)	<u>1968</u> (estimates)
<u>Ordinary revenue</u>	195.2	223.1	177.7
Direct taxes	35.7	36.9	36.3
Indirect taxes	61.4	63.1	52.3
Special régime industries	23.2	24.7	22.4
Income from services	14.7	19.5	19.2
Income from State and private industries	1.9	1.8	1.7
Income from shares	-	-	0.7
Refunds	4.6	5.7	5.0
Consigned receipts	53.7	71.4	40.1
<u>Extraordinary revenue</u>	<u>76.7</u>	<u>88.9</u>	<u>24.8</u>
Total	271.9	312.0	202.5

B. Expenditure  
(million escudos)

<u>Ordinary expenditure</u>	188.8	211.8	177.5
Public debt	26.2	15.9	13.7
Government	1.1	1.6	1.9
Pensions	5.8	5.8	5.8
General administration	49.0	53.0	58.2
Treasury	9.0	10.2	11.6
Justice	1.4	1.5	1.6
Development services	56.6	72.4	51.7
Military services	12.1	12.1	12.1
Naval services	4.0	5.1	5.1
General expenditures	22.0	33.9	15.5
Other	1.6	0.3	0.3
<u>Extraordinary expenditure</u>	<u>76.7</u>	<u>88.9</u>	<u>24.8</u>
Total	265.5	300.7	202.3

Source: Portugal: Banco Nacional Ultramarino, Boletim Trimestral, (No. 73), Lisbon, first quarter of 1968, pp. 57-58.

(d) Development financing

37. Transitional Development Plan 1965-1967. Final data are not yet available on the implementation of the Transitional Development Plan, 1965-1967 for the Territory. For 1965 and 1966, actual expenditure amounted to 99.9 million escudos which represents some 55 per cent of the original target of 180 million escudos for the three-year period. Most of the expenditure has been on transport and communications, which by 1966 had already exceeded the original target, and as seen in the following table, except for agriculture, forestry and livestock, expenditure in the other sectors was considerably below the planned targets.

Table 6

Guinea, called Portuguese Guinea: implementation  
of the Transitional Development Plan, 1965-1967

<u>Item</u>	<u>Original target</u> <u>(million escudos)</u>	<u>Actual expenditures</u> <u>in 1965-1966</u>	
		<u>(million</u> <u>escudos)</u>	<u>(percentage</u> <u>of original</u> <u>target)</u>
Research and survey of the Territory	15.0	1.3	8.67
Agriculture, forestry and livestock	53.3	20.2	60.66
Fisheries	18.0	4.2	23.33
Electric power	3.0	0.8	26.67
Industry	16.5	7.0	42.42
Transport and communications	51.0	51.5	100.98
Housing and local improvement	10.0	4.0	40.00
Social improvement	<u>33.2</u>	<u>9.2</u>	<u>27.71</u>
Total	180.0	99.9	55.48

Source: Portugal: Presidência do Conselho, Plano Intercalar de Fomento para 1965-1967, vol. II, Lisbon, 1964, p. 102; Anuário Estatístico, vol. II, 1966, p. 232.

38. The Third National Development Plan. As reported last year (see A/7200/Add.3 chap. VIII, annex IV, para. 22) an expenditure of 1,259.3 million escudos is envisaged under the Third National Development Plan 1968-1973. Of the total, about three-fourths (808.8 million escudos) is to be provided in loans from Portugal. These loans, to be granted as required for the implementation of the plan, are repayable in twenty-four annual instalments starting eight years after the date of the loan (Decree Law No. 48,292, 26 March 1968). Although the plan called for an expenditure of 204.6 million escudos in 1968, no information is available on the actual implementation during that year except that, in December 1968, an expenditure of 13.6 million escudos was authorized for transport and communications projects under the plan (Portaria No. 23,749, 5 December, and No. 23,791, 21 December).

## Education

### (a) General

39. Although the available statistics are often incomplete and are not always comparable, it appears that after some difficulties in 1964/65, in the last three years the Government has been able to keep the school system operating at more or less the same level by an extensive school-building programme, presumably in the newly organized protected villages. Since 1966/67, the army has also established a number of schools for the armed forces and for the children in the area. In an effort to increase school facilities in Bissau, the capital, some old government buildings have been converted to schools. During the 1968/1969 school year, the Government plans to build a six-room school in Bissau, one school in Farim, and a farming school at Nova Lamego.

### (b) Schools

40. According to the latest information, there are now three types of facilities: official schools financed and administered by the Government; mission schools, subsidized and recognized by the Government; and private facilities, which are individual or provided in homes. The armed forces also maintain some schools. It may be noted that no mention is made of the koranic schools referred to in previous reports.

41. In 1967/1968 there were seventy-six primary schools and school posts<sup>i/</sup> administered by the Catholic missions, forty-eight by the armed forces and forty-seven by the territorial Government. Most of the government schools are located in urban centres, while the mission and armed forces schools are in the rural areas. There are two government secondary schools, one for academic studies and one for technical industrial studies. There is also one vocational school.

42. Since 1966 there has been a school for training school post teachers at Bolama (Escola de Habilitação de Professores de Posto General Arnaldo Schulz, (Portaria 1853, 17 December 1966)). Apart from this school, a two-month summer programme has been held to train school post teachers; in 1967, sixty-eight school post teachers were trained at the third of these annual programmes.

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i/ José da Costa Brandão, "O Ensino na Guiné Portuguesa", Ultramar, (No. 32), Lisbon, second quarter of 1968, pp.148-164.

(c) Enrolment

43. In 1967/1968, the total enrolment of school-age children was as follows:

	<u>1966/1967</u>	<u>1967/1968</u>
Government schools	4,185	4,938
Catholic mission schools	10,912	10,494
Armed forces schools	1,000	2,000
Total	16,097	17,432

44. The enrolment pattern at the primary level is similar to that of Angola (see annex II above, para. 126). In the school year 1967/1968, of the 15,432 children enrolled in government and Catholic mission primary schools, 80 per cent were in the preparatory class and the first two years. Of these, 38 per cent (5,866) were in the pre-primary preparatory class, <sup>1/</sup> 26 per cent (4,084) in the first year, and 15 per cent (2,323) in the second year. The remaining 20 per cent were in the third and fourth years (1,724 and 1,435 respectively).

Table 7

Guinea, called Portuguese Guinea

Enrolment in primary and pre-primary classes

<u>Class</u>	<u>1966/1967</u>				<u>1967/1968</u>		
	<u>Government schools</u>		<u>Catholic schools</u>		<u>Government schools</u>	<u>Catholic schools</u>	<u>Total</u>
	<u>Number</u>	<u>Per cent passed to next class</u>	<u>Number</u>	<u>Per cent passed to next class</u>	<u>Number</u>	<u>Number</u>	
Pre-primary	1,134	39.0	5,160	28.2	1,270	4,596	5,866
First year	1,430	46.0	2,458	34.6	1,522	2,562	4,084
Second year	750	69.0	1,363	49.8	895	1,428	2,323
Third year	599	72.0	1,053	53.1	693	1,031	1,724
Fourth year	472	72.0	878	39.0	558	877	1,435
Total	4,385		10,912		4,938	10,494	15,432

Source: Brandão, op. cit., pp. 152-153.

<sup>1/</sup> See A/6700/Rev.1, chap. V, para. 229. The preparatory class is a pre-primary adaptation class for children who cannot speak Portuguese and who come from a different environment.

45. Although the above data show that a greater percentage of the pupils enrolled in government and Catholic mission schools pass to the next class, out of the 15,297 enrolled in 1966/1967, only about 680 pupils completed the fourth grade.

46. The school statistics from official sources in table 8 show that in spite of the apparent increase in enrolment in the last two years, primary school enrolment in 1967/1968 was still slightly below that in 1965/1966. This was probably due to the effects of the war. On the other hand, enrolment in both the academic secondary school and the technical school increased, possibly because these schools, which are located in Bissau, have been less disrupted, and because the Portuguese authorities are reportedly trying to train an elite.

Table 8

Guinea, called Portuguese Guinea: school statistics

	1963/1964		1965/1966		1966/1967		1967/1968	
	Govern- ment	Miss.	Govern- ment	Miss.	Govern- ment	Miss.	Govern- ment	Miss.
<u>Primary (including school posts) a/</u>								
Schools	156		257		...	...	47	76
Teachers	241		455		105	149	122	154
Pupils	13,040		15,638		4,385	10,912	4,938	10,494
<u>Academic secondary</u>								
Schools	1	-	1	-	1	-	1	-
Teachers	19	-	15	-	24	-	-	-
Pupils	305	-	390	-	446	-	448	-
<u>Technical secondary</u>								
Schools	1	-		-	1	-	1	-
Teachers	31	-		-	29	-	-	-
Pupils	482	-	611	-	652	-	668	-

Sources: For 1963/1964 and 1965/1966: Portugal, Agência Geral do Ultramar, Boletim Geral do Ultramar, 1966 and 1967.

1966/1967 and 1967/1968: Brandão, op. cit., pp. 148-164.

a/ Separate data on government and Catholic schools for 1963/1964 and 1965/1966 are not available.

47. Enrolment in the armed forces primary schools increased from 1,930 in 1966/1967 to 3,100 in 1967/1968 as follows:

	<u>1966/1967</u>	<u>1967/1968</u>
African soldiers	700	800
Adults	230	300
Children	<u>1,000</u>	<u>2,000</u>
Total	1,930	3,100

48. The new two secondary schools in the Territory are the liceu (secondary academic) and the technical school (Escola Industrial e Comercial). Enrolment in the seven classes of the liceu was 446 students in 1966/1967 and 448 in 1967/1968. The technical school uses the liceu facilities in Bissau. There are plans to construct a new building at a cost of 10 million escudos, but there is no information on whether this has been started. Total enrolment in the technical school was 652 students in 1966/1967 and 668 in 1967/1968.

49. In January 1968, new courses for electricians, carpenters and painters were added at the vocational school in Bissau. Sixty-eight students enrolled in these courses.

(d) Expenditure

50. As previously reported, <sup>k/</sup> from 1950 to 1958, between one-half and two-thirds of the total annual expenditures on education in Guinea, called Portuguese Guinea, was in the form of subsidies to the Catholic missions. Direct government expenditure exceeded subsidies for the first time in 1959. Since then, government expenditure on education in the Territory has risen sharply, from 3.5 million escudos in 1960 to 7.9 million escudos in 1965 and 12.3 million escudos in 1967, when subsidies to the missions accounted for less than 4 per cent of the total (see table 9 below).

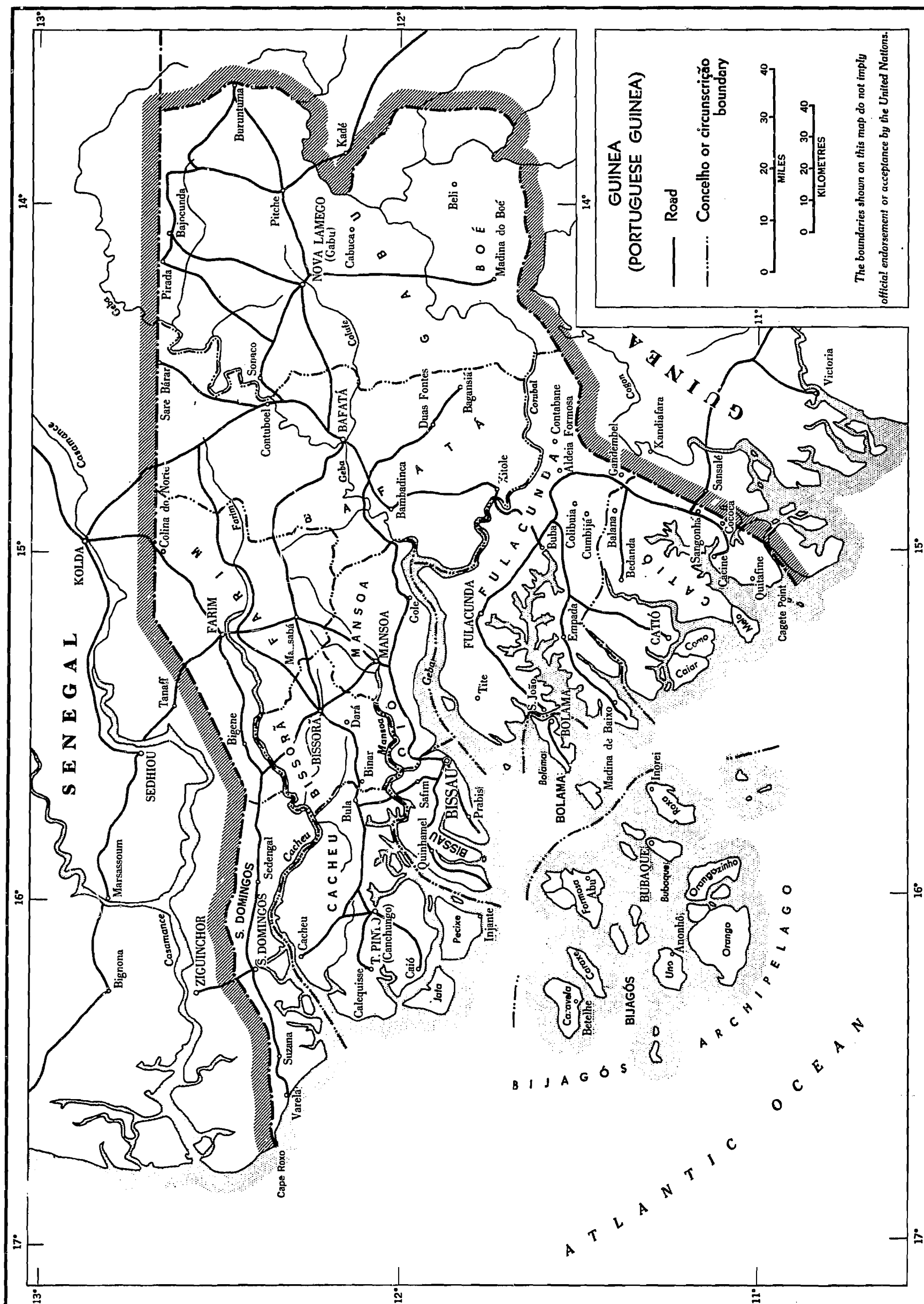
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k/ Official Records of the General Assembly, Seventeenth Session, Annexes, addendum to agenda item 54 (A/5160), para. 144.

Table 9  
Expenditure on education: 1965-1967  
 (escudos)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
<u>Equipment</u>			
Primary schools	150,330	303,900	76,819
Secondary schools	172,270	334,437	697,779
Para-educational activities	-	-	1,250,000
<u>Construction</u>			
Primary schools	24,759	1,013,900	217,224
Secondary schools	42,513	24,313	30,825
Para-educational activities	1,500,000	3,656,618	1,468,439
<u>Salaries</u>			
Primary schools	2,700,000	3,093,000	3,880,600
Secondary schools	3,086,238	3,457,423	4,216,917
Subsidy to Catholic missions	245,800	305,800	415,800
Total educational expenditure	7,921,910	12,189,391	12,254,403
Total ordinary expenditure	180,900,000	188,800,000	211,800,000
Percentage on education	4.26	6.36	5.76

Source: Brandão, op. cit., pp. 162-163.





ANNEX V\*

CAPE VERDE ARCHIPELAGO

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\* Previously issued under the symbol A/AC.109/L.538/Add.4 and Corr.1.

Population

1. At the 1960 census, the population of the Territory was 201,549 inhabitants. In 1966 the estimated population was 235,853. In the period 1965-1967, there were 4,768 persons who emigrated from the islands.

Constitutional and political

2. There were no constitutional or legislative changes during 1968 affecting the status of the Territory.

(a) Territorial Government

3. Early in September 1968, the Governor of Cape Verde, Commander Sacramento Monteiro, returned to Lisbon to report to the Government. In October, following the establishment of the new Government, Commander Monteiro was reappointed Governor for another term. He had already served in the present post for six years.

4. Speaking to the Legislative Council at its regular session in 1968, at which the 1969 budget was prepared, Governor Monteiro mentioned among the major tasks of the Government, the implementation of the Third National Development Plan for 1968-1972, improvement of health and education services, economic development and special measures to be taken for drought relief. He also announced the establishment of labour teams to absorb the unemployed manpower and procedures for distribution of foodstuffs.

5. In March 1969, Eng. Tito Livio Maria Feijóo was appointed the first Secretary-General of the Territory. Eng. Feijóo, who is from Brava, has twice been acting Governor and has held various other government posts both in Cape Verde and in Angola. At the time of his appointment, he was one of the Territory's representatives in the National Assembly.

(b) Local administration

6. On 24 October, elections were held for the municipal councils.<sup>b/</sup> The Territory, which comprises nine inhabited islands, is divided into thirteen

a/ For general information on the Territory see Official Records of the General Twenty-second Session, Annexes, addendum to agenda item 23 (part I) (A/6700/Rev.1), chap. V, para. 336 and ff.

b/ For a description of the system of local administration and electoral rights see Official Records of the General Assembly, Nineteenth Session, Annexes, Annex No. 8, (A/5800/Rev.1), chap. V, para. 46 ff. Municipal councils are established in concelhos where there are more than 500 persons qualified to vote in direct elections to the Legislative Council. As a general rule, municipal councils are composed of a president, usually the administrator of the concelho, and four members, two of whom are elected by direct suffrage, and two by representatives of economic, social or cultural interests, or, where these do not exist, by individuals of Portuguese nationality who pay a minimum direct tax of 1,000 escudos.

concelhos, as follows: three on the island of Santiago, namely Praia, the capital city, Santa Catarina, and Tarrafal; three on Santo Antão, namely Ribeira Grande, Paúl and Porto Novo; and one on each of the seven remaining islands (Fogo, S. Nicolau, Brava, Boa Vista, Sal, Maio and S. Vicente).

7. According to the local Press, there were 25,242 persons registered to vote in the direct elections, of whom 18,029, or 71.2 per cent, voted; 736 persons were qualified to vote for the representatives of special interest groups, of whom 592, or 80 per cent, voted.

8. The voting by concelho is shown in the following table, together with the number of voters as a percentage of the population of the 1960 census. Since the population of most of the islands has increased since 1960, the actual ratio of the voters to the population is probably lower than that shown in the table.

Table 1

Votes cast in the municipal elections 1968

Concelho	Population at 1960 census	Number of votes	Direct vote	
			Voters as percentage of population	Organic vote
Territorial total	201 549	18 029	8.9	592
Boa Vista	3 309	395	11.9	21
Brava	8 646	681	7.9	33
Fogo	25 457	2 203	8.7	89
Maio	2 718	380	14.0	13
Paúl <sup>b/</sup>	17 025	343	a/	44
Praia <sup>b/</sup>	45 079	3 654	7.2	12
Ribeira Grande	17 573	1 881	a/	83
Sal	2 626	417	15.5	51
Santa Catarina <sup>b/</sup>	24 731	1 262	5.1	64
S. Nicolau	13 894	1 027	7.9	69
S. Vicente	21 361	3 561	16.7	18
Tarrafal <sup>b/</sup>	19 130	1 463	7.7	55
Porto Novo	a/	762	a/	40

Source: O Arquipélago de Cabo Verde, 28 October 1968.

a/ At the time of the 1960 census, the island of Santo Antão was divided into only two concelhos, Paúl and Ribeira Grande. There is no information available on the population of Porto Novo. Since the new division would affect the population figures for the other two concelhos, the percentage of the population voting cannot be calculated. For the island of Santo Antão as a whole, the ratio of voters to the total population was 8.6.

b/ For the whole island of Santiago the ratio of voters to the total population was 7.2 per cent.

9. It may be recalled that in 1964, at the time of the elections for the Legislative Council, on the basis of partial figures published, it was estimated that probably not more than 10 per cent of the total population took part in the direct vote. (A/5800/Rev.1, chap. V, paras. 191-193.) The above data show that less than 9 per cent of the total population took part in the municipal council elections. Since the Native Statute never applied to Cape Verde, and the inhabitants of the island have always been considered as citizens, the proportion of voters in the other Territories would no doubt be substantially less.

10. As regards the organic vote representing special interest groups, this is the first time such data have been available. It may be noted that, while over 18,000 voters elect two representatives in a direct vote, 592 persons with special economic, social or cultural interests have the same number of representatives.

11. In 1968, the Municipal Council of Praia had a budget of over 5 million escudos, c/ of which 2,605,000 escudos were for public works. By the end of the year, however, only 1,184,500 escudos, or less than half the original amount, had actually been spent, including 494,300 escudos for two slaughter houses and the repair of roads within the city. The Praia Municipal Council is also responsible for electric power, water supplies and urban planning.

#### (c) Social and political organization

12. According to an article in the Revue Française d'études politiques Africaines d/ the principal social groups in the rural areas are the civil servants, the landowners and the labourers. These are divided as follows: (a) the Portuguese - a small group composed mainly of civil servants who are detached from the local living conditions; (b) the large landowners who number slightly over 100; (c) the small landowners who own around three hectares each; and (d) the majority of the farmers who work the land for others, either under a tenant farming system or the métayage system.

13. In the urban areas, the social stratification follows a slightly different pattern. The most important group is that of the European high civil servants. In descending order, the other groups are the Cape Verde higher civil servants; the middle class European civil servants; the middle class Cape Verde civil servants; bank employees, the small and average merchants and some factory workers; and, finally, urban wage earners.

14. The same article reports that the political aspirations of the people fall into four patterns: (a) continuance as a Portuguese province; (b) special status for the Archipelago without separation from Portugal; (c) liberation from the Portuguese presence under Cape Verde leadership; and (d) liberation by co-operation with the movements in Guinea, called Portuguese Guinea.

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c/ One escudo equals \$US.035.

d/ Alfredo Margarido, "L'archipel du Cap Vert: perspectives politiques", Revue Française d'études politiques Africaines, No. 25, (January 1968), pp. 68-83.

15. The idea of a special status for Cape Verde is reported to have been first advanced by Mr. Adriano Moreira in 1962, when he promised that the status of the Cape Verde Islands would be made similar to that of the Azores and Madeira, which are known as the "adjacent islands". Although there is no information on political activities in the Territory, in July 1968 Mr. Amílcar Cabral, the leader of the Partido Africano da Independência da Guiné e Cabo Verde (PAIGC), announced that his party's next objective was to start an armed action in Cape Verde.

#### Military and security measures

16. Although there have been no military activities in the Cape Verde Archipelago so far, the Public Security Police (PSP) and the Polícia Internacional e de Defesa do Estado (PIDE) appear to have become more active since 1967. Between October and December 1967, for example, there were extraordinary allocations for the PSP, totalling more than 500,000 escudos, and two further extraordinary small allocations in 1968. In May 1968, a new PIDE post was established at S. Felipe on Fogo island, and in August a special allocation of 35,000 escudos was made for the purchase of armaments, ammunition and equipment for the security forces (see table 2 below).

17. In 1968 also, a naval radio post was established as part of the Cape Verde Naval Command, and a new repair shop was established at the Naval Command shipyard.

Table 2

Cape Verde: military and security budgets 1967-1968  
(thousand escudos)

	<u>1967</u>	<u>1968</u>
International police (PIDE)		
Original budget	949.7	1 130.0
Supplement	<u>6.9</u>	
	956.6	
Public security police (PSP)		
Original budget	2 626.8	3 191.6
Supplements	<u>4.4</u>	
	500.0	
	<u>3 131.2</u>	
Military expenditure		
Original budget	4 335.0	4 511.0
Supplements	<u>1 050.8</u>	
	270.5	
	<u>5 656.3</u>	
Chão Bom Prison	274.4	314.6
Volunteer Corps		
Extraordinary budget	250.0	200.0
Total	<u>10 268.5</u>	<u>9 347.2</u>

Source: Cape Verde: Boletim Oficial, 1967 and 1968.

## Economic conditions

### (a) General

18. As previously reported (A/6700/Rev.1, chap. V, paras. 373-376) the Territory's main problem consists in finding means of supporting its growing population with the limited resources available. Although half of the total investments under the Third National Development Plan for 1968-1972 are intended for the fisheries sector, since the majority of the people live off the land, the Government has also sought new ways of increasing agricultural production. Among other measures, the land tenure system has been modified since 1966 to ease the burden of the small tenant farmers, and bananas have been introduced as a new export crop. Although there is no information on the results of the land reform as a whole, the effect of these measures on the economic life of the Territory has been marginal, as the deteriorating balances of trade for 1965-1967 show. In 1968, a period of drought further aggravated the economic situation and in November, the Governor announced the introduction of a food distribution scheme and the setting up of works projects to relieve unemployment.

19. The local Press and discussions in both the Legislative Council and the National Assembly have pinpointed various problems. An editorial in the local newspaper O Arquipélago, for instance, recently cited among the urgent problems facing the Territory the plight of the small farmer and the small businessman who are often at the mercy of big businessmen and landowners. In particular, the article suggested that the Government should assist farmers in setting up co-operatives, provide financial assistance to farmers to dig wells and establish tax reductions and other incentives to attract industries to the islands. In March 1969, the deputy for Cape Verde in the National Assembly spoke of other problems. Among other things, he drew attention to the lack of opportunities for promotion among the civil service personnel in the Territory, the inequalities of treatment, the need to improve shipping facilities for the export of both pozzolana and bananas and the need for more teachers.

### (b) External trade and payments

20. The Territory's only important exports, in order of importance, are bananas, salt, pozzolana and fish and fish products. As table 3 shows, the exports cover only a fraction of the value of the imports, amounting to only 12 per cent in 1967, leaving a trade deficit of 227.9 million escudos.

Table 3

Cape Verde: balance of trade  
(million escudos)

	<u>Imports</u>	<u>Exports</u>	<u>Balance</u>	<u>Percent of exports to imports</u>
1961	185.5	27.8	- 157.7	15
1962	197.2	22.2	- 175.0	11.4
1963	170.2	24.1	- 146.1	13.5
1964	200.7	27.5	- 173.2	13.3
1965	228.2	27.9	- 200.3	12.2
1966	244.2	32.9	- 211.3	13.5
1967	258.8	30.9	- 227.9	11.9

Source: Portugal. Anuário Estatístico, vol. II, 1962, 1964 and 1966;  
Cape Verde. Boletim Trimestral de Estatística, No. 1, 1968.

21. Since 1964 bananas have become the Territory's most important export, accounting for over 25 per cent of the Territory's total visible exports by value in 1967. On the other hand, as the following table shows, salt exports have declined, while exports of fish and fish products again declined in 1967, after reaching a peak of 4.6 million escudos the previous year.

Table 4

Cape Verde: principal exports  
(thousands)

	<u>1964</u>		<u>1965</u>		<u>1966</u>		<u>1967</u>	
	<u>Tons</u>	<u>Escudos</u>	<u>Tons</u>	<u>Escudos</u>	<u>Tons</u>	<u>Escudos</u>	<u>Tons</u>	<u>Escudos</u>
Total exports by value		27.5		27.9		32.9		30.9
Pozzolana	3.1	0.9	9.1	1.2	2.6	0.7	7.2	2.0
Salt	35.8	3.5	28.5	2.7	31.8	3.2	22.9	2.2
Fish and fish products	0.3	2.3	0.4	3.0	0.6	4.6	0.4	2.9
Bananas	3.1	3.9	3.4	3.4	4.0	5.6	3.9	7.9
Peanuts			0.18	0.9	0.93	2.2	-	-

Source: See table 3 above.

22. As the Territory is not self-sufficient in food-stuffs, it regularly imports sugar, maize, wheat flour, and rice. As in the other African Territories under Portuguese administration, textiles and wine from Portugal are also among the principal imports (see table 5 below). In an average year, petroleum products and cement account for almost 15 per cent of the total imports.

Table 5

Cape Verde: principal imports  
(million escudos)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Total value of imports	200.7	228.2	244.2	258.8
Maize	15.5	18.1	13.7	6.2
Wheat flour	8.3	10.3	8.0	10.3
Rice	7.3	7.8	7.6	9.5
Sugar	12.6	14.1	16.4	16.7
Wine	5.1	5.8	6.5	6.5
Cement	3.6	6.1	7.4	7.9
Petroleum	9.2	8.0	8.9	5.9

Source: See table 3 above.

23. While Portugal and the other overseas Territories continue to be Cape Verde's principal trading partners, Portugal's share in its total trade has increased at the expense of the overseas Territories. Between 1965 and 1966, when the share of imports jointly supplied by Portugal and the Territories rose from 72.1 to 75.2 per cent, the share of imports supplied by other countries declined as follows: the United States of America from 5.4 to 3.9 per cent; the United Kingdom of Great Britain and Northern Ireland, 5.5 to 3.0 per cent; the Netherlands, from 4.0 to 2.2 per cent; the Federal Republic of Germany, from 2.2 to 1.5 per cent.

24. Portugal's share in the Territory's exports rose from 54.9 per cent in 1965 to 59.4 per cent in 1966, but that of the other Territories decreased from 15.3 to 9.7 per cent. On the other hand, while the share of the United States in the exports rose from 9.9 to 11.2 per cent, and the share of the Democratic Republic of the Congo rose from 1.5 to 4.6 per cent, that of Italy dropped from 3.9 to 0.3 per cent.

(c) Agriculture

25. About 40 per cent of the population lives off the land. The principal food crops - maize, beans, manioc and sweet potatoes - are grown under natural conditions. Almost all the cultivable land is occupied by maize and beans, but as these are subsistence crops, no production statistics are available.

26. In recent years, more areas have been brought under irrigation for the growing of bananas, pineapples, sugar cane, some sweet potatoes and coffee, most of which are for export. Exports are shown in table 4 above.

27. To increase production, the Government in 1967 decided to assist in the settlement of low income families, by opening up new lands for farming, in some cases through irrigation, as in the Chão Bom area in the northern part of Santiago island. In July 1968, (Diploma Legislativo 1662, 6 July), the Government set up an agricultural machine park (Parque de Maquinaria Agrícola) under the supervision of the Technical Brigade for Agricultural Development. The new scheme is intended to provide farmers with the means of mechanizing some processes so as to make better use of the land. It is also hoped that by reducing the cost of labour, Cape Verde products will have a better chance to compete in the world markets.

28. In addition to the loan of 30 million escudos from the Banco Nacional Ultramarino, the Cape Verde agricultural credit bank, Caixa de Crédito Agro-Pecuário, was allocated for 1968 a special sum of 1 million escudos for extraordinary expenses (Portaria 23,234, 21 February 1968). There is no information on the activities of the Caixa during 1967 and 1968.

#### (d) Fisheries

29. As reported previously, plans to expand the Territory's tuna fishing industry were first included in the Transitional Development Plan for 1965-1967 with an investment target of 250 million escudos over the three-year period. In April 1966 an agreement was signed between Portugal and Fried Krupp, Essen, of the Federal Republic of Germany; permitting the latter to establish a fishing base in the islands and to undertake a six-month study of the tuna resources in the area. Following this agreement, the Cape Verde Government obtained a loan of 30 million escudos from the Banco de Fomento Nacional and the Banco Nacional Ultramarino, with which it purchased 30,000 shares in the largest fishing and canning concern in Cape Verde, the Companhia de Pescado Congelação de Cabo Verde (CONGEL). Then early in 1967, with the guarantee of the Portuguese Government, CONGEL received a loan of 74.5 million escudos from Commerz Bank, A.G. of the Federal Republic of Germany for the purchase of several tuna fishing boats from Fried Krupp, Essen.

30. The first of the new tuna fishing boats, which was expected to arrive in Cape Verde in March 1969, is reported to have a storage capacity of 250 tons and a freezing capacity of 60 tons a day. When completed, the CONGEL fleet is to comprise ten boats and the total investment is expected to amount to over 250 million escudos.

31. During 1968 a lobster fishing concern, Sociedade dos Armadores de Pesca de Lagosta, S.A.R.L. (SAPLA) was granted a concession to occupy land belonging to the public domain e/ on four of the islands (Decree No. 48,624, 11 October 1968). The areas involved comprise 14,000 square metres in the Palmeira Bay on Sal; 5,000 square metres at Porto Velho on S. Nicolau; 4,300 square metres at the port of Furna on Brava, and 4,900 square metres at the port of Vale dos Cavaleiros on Fogo.

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e/ For a description of the land concession system, see Official Records of the General Assembly, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1) chap. V, appendix, annex II, paras. 10-57.

32. In December three lobster fishing boats, belonging to R. Anjos Lda., arrived in Cape Verde from Portugal. It is not known whether these two lobster fishing concerns are related.

(e) Transport and communications

33. Since the closing of the Suez Canal, Cape Verde has regained some of its importance as a fueling station. In 1967, 1,525 ships stopped at Cape Verde, compared with a yearly average of 600 to 650 ships during the previous decade.

34. The Territory's principal port is Porto Grande at S. Vicente, where 90 per cent of all seagoing and transoceanic traffic stops. In June 1968, a duty-free area was created at Porto Grande for the passengers and crews of ships in transit. Later in the year, Shell Portuguesa signed an agreement with the Portuguese Government to modernize and expand the company's existing fueling installations at Porto Grande. The company is expected to invest some 5 million escudos, and in return, as provided in legislation enacted earlier in the year (Decree No. 48,468, 4 July 1968) it will be exempt from customs duties on materials and equipment imported for this project.

35. Air traffic to the islands has also increased. In 1967, 1,027 planes stopped in Cape Verde. During 1968, the personnel of the intra-islands airline, Transportes Aéreos de Cabo Verde was increased and the original budget of 5.8 million escudos was supplemented by a further allocation of 1.6 million escudos in March.

(f) Water supplies

36. Only four of the islands, Santo Antão, S. Nicolau, Santiago and Brava, have running streams all the year around. The other islands have streams only during the rains. S. Vicente, for instance, has no permanent source of fresh water during most of the year and has to import water from the adjacent island of Santo Antão.

37. Under the Third National Development Plan for 1968-1972, 24 million escudos is to be spent to complete the work begun under the Transitional Development Plan to improve water supplies on the islands of Santo Antão, S. Nicolau, Sal, Boa Vista, Santiago, Fogo and Brava. Another 8 million escudos is to be spent to provide drinking water supplies for Mindelo on S. Vicente and for the Espargos airport on Sal.

38. In December 1967, the Cape Verde Government was authorized to sign a contract with the Spanish company Sociedad Española de Construcciones Babcock & Wilcox, C.A., for the construction of a desalination plant at Mindelo at a cost of 38 million escudos. The payment of this sum is to be spread over a period of six years, starting in 1970, after an initial payment of 6.26 million escudos in 1967, to be charged to the Transitional Development Plan for 1965-1967. The plant will have a capacity of 3,000 litres a day, and is to be completed by December 1969.

(g) Public finance

39. Information on the Territory's 1969 budget is not yet available. The accounts for 1966 show that actual total revenue for the year, at 192.7 million escudos, was more than double the original estimates. Most of the increase was in extraordinary revenue, which comprises a loan of 44.3 million escudos from Portugal for the implementation of the Transitional Development Plan; 6.5 million escudos from budgetary surpluses; and the loan of 30 million escudos from the Banco Nacional Ultramarino and the Banco de Fomento Nacional for the Government's share in CONGEL (see para. 29 above).

40. Actual ordinary revenue collected in 1966 exceeded estimates by almost 30 per cent, mainly due to the increases in both direct and indirect taxes, as well as an increase in the revenues from services.

41. The following tables set out the actual revenue and expenditure for 1965 and 1966 and budget estimates for 1966, 1967 and 1968. Table 6 C below shows selected items of estimated expenditure for the same three years.

42. The Territory's public debt, which amounted to 618.2 million escudos in 1966, has further increased with the loan from Portugal for development projects. However, because of the difficult financial situation of the Territory, in November 1968 the Portuguese Government granted the Territory a moratorium on the interest payments on the 1959 development loan of 337 million escudos (Decree No. 48,688, 11 November 1968).

(h) Development planning

43. There is no information on the actual expenditure in 1967 and 1968 under the Transitional Development Plan for 1965-1967 and the Third National Development Plan 1968-1973.

44. According to a statement by the Governor to the Legislative Council in November 1968, larger allocations are expected for the implementation of the 1969 targets established under the Third National Development Plan, and more especially for the building of roads. An expanded public works programme is also planned by all the thirteen municipal councils. No details are yet available of the 1969 development budget, except for a report in January 1969 that 3 million escudos had been allocated for the improvement of transport and communications. The planned targets set out in the Third National Development Plan are set out in table 7 below.

Table 7

Cape Verde: Third Development Plan

Targets for 1969

<u>Sectors</u>	<u>Value</u> <u>(contos) a/</u>	<u>Per cent</u>
Agriculture	13 340	8.51
Fisheries	20 270	12.93
Extractive and transforming industries	2 850	1.81
Public works - rural development	-	-
Energy	6 500	4.15
Circuitos de distribuição	500	0.32
Transport and communications	67 349	42.96
Housing	20 200	12.88
Tourism	2 000	1.28
Education	13 733	8.76
Health and assistance	10 000	6.37
Total	156 742	99.97

Source: Portugal. Presidência do Conselho, Projecto do III Plano de Fomento para 1968-1973, vol. III, tome I.

a/ One conto equals 1,000 escudos.

## Education f/

45. In 1968, the Cape Verde Government undertook a survey of the number of official primary schools g/ and teachers. The results of this survey, which are summarized in table 8 below, together with figures of a similar survey in 1966, show that in this period there has been no change in the number of full primary schools, while the number of school posts has decreased from 156 to 98. Previously published official statistics showed, however, that in 1965/1966 there were 82 official primary schools and 144 official school posts. In addition, there were 63 private primary schools and 90 private school posts.

46. As seen from the 1968 survey, with the exception of Sal, all the other smaller islands had only one official primary school each, and, on the average, there was one official primary school or school post for each 2,000 inhabitants or every 300 to 400 children of school age. On the island of S. Vicente, however, there were only one primary school and six school posts for 21,400 inhabitants, and in the concelho of Santa Catarina there were only six official schools at the primary level for 24,700 inhabitants. These figures become more significant when account is taken of the fact that for the Territory as a whole, the average was less than two teachers per school in 1968.

47. In October 1968 (Decree No. 48,608, 7 October) the secondary preparatory cycle h/ was added to the two secondary schools at Praia and Mindelo. School statistics for 1966/1967 and 1967/1968 are not yet available.

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f/ For a brief general description of the school system in the Territories under Portuguese administration see A/6000/Rev.1, chap. V, paras. 38-40; A/6700/Rev.1, chap. VI, paras. 77-83.

g/ Full primary schools provide all four primary grades. Completion of the fourth year of primary school is the minimum standard required for most clerical and lower civil service jobs. School posts provide only the first three primary classes and a pre-primary class for children who do not speak Portuguese.

h/ In 1968, compulsory primary education was extended from 4 to 6 years. On completing the four primary classes, pupils may go on to the two-year complementary cycle of primary education if they do not plan to go to secondary school. Alternatively, they may proceed to the two-year preparatory cycle of secondary school on completion of which they may continue either in an academic secondary school (liceu) or in a technical school.

Table 8

Cape Verde: Survey of official primary schools and teachers, 1968<sup>a/</sup>

<u>Islands and concelhos</u>		<u>Population at 1960 census (thousands)</u>	<u>Number of schools</u>		<u>Number of teachers</u>	
			<u>primary schools</u>	<u>School posts</u>	<u>Primary schools</u>	<u>School posts</u>
Santiago						
Praia		45.1	1 (1)	20 (30)	14	34
Santa Catarina		24.7	1 (1)	5 (9)	1	7
Tarrafal		19.1	1 (1)	8 (12)	-	8
Total		88.9	3 (3)	33 (51)	15	49
Santo Antão						
Ribeira Grande		17.6	2 (2)	12 (21)	3	15
Paúl		17.1	1 (1)	5 (6)	1	5
Porto Novo		-	1 (1)	7 (9)	1	6
Total		34.7	4 (4)	24 (36)	5	26
Fogo		25.5	1 (1)	13 (16)	3	18
S. Nicolau		13.9	1 (1)	10 (14)	3	11
Brava		8.5	1 (1)	3 (7)	2	7
Boa Vista		3.3	1 (1)	4 (6)	-	6
Sal		2.6	2 (2)	3 (4)	2	4
Maio		2.7	1 (1)	2 (6)	-	2
S. Vicente		21.4	1 (1)	6 (16)	28	17
Total		77.9	8 (8)	41 (69)	38	65
Territorial	Total	201.5	15(15)	98(156)	58	140

Sources: Cape Verde: Boletim Oficial, Aviso of 16 October 1968, Portaria No. 8,306 of 7 October 1968. For 1966: Cape Verde. Boletim Oficial, Portaria No. 7,688 of 15 October 1966.

a/ Figures for 1966, where available, are given in parentheses for comparison.

ANNEX VI\*

SÃO TOMÉ AND PRÍNCIPE

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\* Previously issued under the symbol A/AC.109/L.538/Add.5.

## SÃO TOMÉ AND PRÍNCIPE<sup>a/</sup>

### General

1. At the 1960 census, the population of the islands totalled 64,406. Official estimates show that by 1965 the population had dropped to 64,068, and the latest unofficial estimates give the population as 62,000 in 1966. The decrease in population is possibly due either to the repatriation of imported labour since the introduction of the new Labour Code in 1962 or to emigration from the islands, or both.

### Constitutional and political

2. There were no constitutional or legislative changes in 1968 affecting the system of government and administration of the Territory.

3. As reported elsewhere (see annex I above, para. 18), towards the end of 1968, Prime Minister Marcello Caetano authorized the release of the Portuguese Socialist opposition leader Mr. Mário Soares, who had been held under surveillance in São Tomé since 1967. b/

#### (a) Territorial Government

4. In April 1968 and in February 1969, Lieutenant Colonel Silva Sebastião, the Governor of the Territory, was called to Lisbon to discuss questions relating to the Territory's administration. During his stay in Lisbon in 1968, he participated in an Overseas Council plenary meeting in his capacity as an ex officio member. c/

#### (b) Local administration

5. There is no information on the municipal council elections in the Territory, which consists of two concelhos, one for each of the islands. Administrative changes introduced in 1968 included the reorganization of the geographic and cadastral survey service of São Tomé and Príncipe (Portaria No. 23,570, 31 August 1968), and the integration of the Guarda Fiscal (fiscal police) which is responsible for the supervision of customs and tax collection with the Territory's Public Security Police, the Polícia de Segurança Pública (PSP) (Decree No. 48,384, 13 May 1968). In March 1969, the Portuguese Government authorized a general salary increase for the civil service in the Territory.

a/ For general information on the Territory see Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (Part II) (A/6700/Rev.1), chap. V, paras. 410-411.

b/ See A/7200/Add.3, chap. VIII, annex VI, para. 2.

c/ See Official Records of the General Assembly, Nineteenth Session, Annexes, Annex No. 8 (Part I) (A/5800/Rev.1), chap. V, para. 26.

## Economic conditions

### (a) Trade and payments

6. In 1967, São Tomé and Príncipe had a trade surplus of 70.6 million escudos,<sup>d/</sup> which was the highest since 1960. This surplus was due to a 28 per cent increase in the value of exports over the previous year (226.7 million escudos in 1967, compared with 176.6 million escudos in 1966). Also, the total value of imports was slightly lower than in 1966 (156.1 million escudos in 1967, compared with 158.4 million escudos in 1966).

7. Cocoa, copra and coconuts accounted for some 94 per cent of the total exports by value, with cocoa alone accounting for 77 per cent. The volume of cocoa exports was the highest in twenty years. Coffee accounted for 2 per cent and palm oil for 1 per cent of the exports. The export of recently introduced crops, such as quinquina, bananas and cola, accounted for about 2 per cent of total exports. As in the previous year, the Territory's main imports were wines, valued at 10.8 million escudos, which accounted for 7 per cent of the total imports; cotton textiles, 7.6 million escudos (5 per cent); wheat flour, 6.5 million escudos (4 per cent); beer and rice, 6 million escudos each (4 per cent); and tobacco and sugar, 4 million escudos each (2.5 per cent).

8. In 1967, the principal purchasers of the Territory's exports were the Netherlands, which took 60 per cent of the total export by value; Portugal, 25 per cent; the Federal Republic of Germany, 5 per cent; Denmark, 3 per cent; Angola, 2 per cent; and Norway, 1 per cent. The main suppliers were Portugal, which accounted for 48 per cent of the total imports by value; Angola, 27 per cent; the Federal Republic of Germany and the Netherlands, 4 per cent each; and Mozambique and the United States of America, 3 per cent each. Provisional figures for 1968 show that the total value of exports increased to more than 250 million escudos, and the trade surplus was expected to exceed 50 million escudos.

9. The main and practically only source of foreign exchange for São Tomé and Príncipe is its export trade. Foreign exchange earned by the Territory's exports pays for its imports and covers all invisible exports. Consequently, despite a traditional surplus in the trade balance, the balance of payments is only slightly positive because of the invisibles leaving the Territory, particularly the transfer of profits to Lisbon by companies operating in São Tomé and Príncipe. In 1967, the Territory had a balance-of-payments surplus of 25 million escudos with Portugal. Unlike Angola and Mozambique, which have a chronic exchange problem in their trade with Portugal, <sup>e/</sup> São Tomé and Príncipe had foreign exchange reserves, at January 1969 amounting to 70 million escudos in the Bank of Portugal and 20 million escudos in the Territory.

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<sup>d/</sup> One escudo equals \$US.035.

<sup>e/</sup> See A/7200/Add.3, chap. VIII, para. 45 et seq. and annex I, paras. 39-46.

(b) Agriculture

10. In 1967 agricultural output was at substantially the same level as in the two previous years. As the following table shows, there was a slight increase in the output of cocoa, bananas and coffee, but a decrease in the output of all other crops.

Table 1  
Output of principal crops  
(metric tons)

<u>Crop</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Cocoa	10,577	9,529	10,406
Copra	6,314	5,510	5,415
Bananas	2,880	2,238	2,873
Coconut	1,989	1,822	1,635
Palm oil	1,733	1,364	1,169
Coffee	213	157	174
Quinquina	12	39	17

Source: Portugal. Banco Nacional Ultramarino, Boletim Trimestral (No. 73), Lisbon, first quarter of 1968, p. 58.

11. As previously reported,<sup>f/</sup> since the introduction of the new Labour Code in 1962 the Territory has suffered from a labour shortage and agricultural production has dropped. Low cocoa prices in the world market have also affected production. In 1968, the Portuguese Government set up the Conselho Provincial de Fomento Agrário (Council for Agrarian Development) in the Territory (Decree No. 48,392, 21 May 1968). Among other things, the Council's responsibilities are: to implement a survey of the agricultural sector; to review experimental agricultural projects, taking into account local resources and the priority of local needs; to assist in the recruitment of technical personnel as well as in the acquisition of specialized equipment; and to assist in the diffusion of technical information. The Council is presided over by the Governor of the Territory and its membership includes the chiefs of the department concerned with agriculture, forestry and economic services, and three representatives of private interests.

12. Among other government measures introduced in 1968 to stimulate agricultural activities was the establishment of a subsidy to those coffee growers who cultivate Arabica coffee. In 1968, 1969 and 1970, new coffee growers will receive

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<sup>f/</sup> See A/6700/Rev.1, chap. V, paras. 421-424; A/7200/Add.3, chap. VIII, annex VI, para.10.

3,000 escudos per hectare up to sixty hectares placed under cultivation; they will also receive from the Government a subsidy of 150 escudos per kilogramme up to 500 kilogrammes for the purchase of insecticides. In January 1969, the Government exempted cocoa exports from the sobrevalorização tax. g/

(c) Fisheries

13. Although fishing is an important economic activity for local consumption, there is no organized fishing industry in the Territory. Towards the end of 1968 the Caixa de Crédito de São Tomé e Príncipe (Credit Bank) announced plans to finance the establishment of a factory to process fish products such as fish flour and dried fish. At the same time, a Portuguese company, the Sociedade dos Armadores de Pesca da Lagosta, S.A.R.L. (SAPLA), applied for authorization to set up a preserved-fish processing factory in the Territory. As reported previously (see A/6700/Rev.1, chap. V, para. 436), a first fleet of forty-three motor-boats began operation in 1966 to replace fishing canoes. However, the catch, which amounted to 780 tons in 1966 and 884 tons in 1967, was below the 929 ton level of 1965.

(d) Electric power

14. The new hydro-electric plant located on the Contador River thirty kilometres from the capital began operation in 1968. The new plant has a capacity of 15 million Kwh and is currently supplying power to the capital of São Tomé and the town of Guadalupe. There are plans to extend the supply of electricity to other towns on São Tomé Island.

(e) Mining

15. There is no further information on the petroleum concession authorized in 1968.

(f) Transport and communications

16. In 1968, a further seventeen-kilometre section of the road around São Tomé Island was completed. This road was to have been finished in 1966 (see A/6700/Rev.1, chap. V, para. 438).

17. As reported previously, the São Tomé airport, which was completed in 1964, is jointly maintained and operated by funds from Angola, Mozambique and São Tomé and Príncipe (see A/6700/Rev.1, chap. V, para. 440). The 1969 budget for the airport amounts to 4.2 million escudos. As in the past, this is to be jointly financed with 1.8 million escudos each from Angola and Mozambique and 600,000 escudos from São Tomé and Príncipe.

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g/ Portaria No. 23,823, 2 January 1969. The sobrevalorização tax is levied on the difference in the current export price of certain commodities as compared with the price in a basic year. (See annex II, foot-note f)

18. In 1968, São Tomé became a centre for international relief of Biafra. The air lift based on São Tomé was started in April by the Committee of International Church Relief Organizations at São Tomé, which includes the World Council of Churches, the United States Catholic Relief Services, the Scandinavian Protestants grouped as Norchurch-Aid, and Caritas, the Catholic relief agency. By late September 1968, the air lift had flown 2,000 tons of relief to Biafra, with up to ten flights per day from the São Tomé airport. Governor Silva Sebastião has also organized a programme for the rehabilitation of Biafran children. By September 1968, 120 children had been flown to São Tomé. According to the Governor's plans, the Territory would be prepared to receive up to 1,000 Biafran children.

(g) Public finance.

19. As reported previously, the Territory's ordinary estimated expenditure for 1968 was 80 million escudos (see A/7200/Add.3, chap. VIII, annex IV, para. 14). In addition, 1 million escudos was allocated for extraordinary expenditure as follows: 350,000 escudos for the Provincial Organization of Volunteers and Civil Defence Corps (OPVDC); h/ 300,000 escudos for the anti-malaria campaign; 145,000 escudos for the agricultural census, and the remainder for development studies. During the year, additional allocations amounting to 6.3 million escudos were authorized, bringing the total extraordinary budget to 7.3 million escudos. These additional allocations included 1.2 million escudos for the construction of the government printing office building; 1 million escudos for the expansion of school facilities; 600,000 escudos for urban development; and the remainder for conservation of roads and public buildings. Information on the Territory's budget for 1969 is not yet available.

(h) Development financing.

20. No new information is available on the implementation of the Transitional Development Plan, 1965-1967.

21. As reported last year, investment envisaged in São Tomé and Príncipe under the Third National Development Plan for the period 1968-1975 amounts to 637.6 million escudos (see A/7200/Add.3, chap. VIII, annex VI, paras. 17-19). All the proposed investments are to be financed by loans from the Portuguese Government, which will each year make available to the Territory the funds necessary for implementation of the annual projects under the Third National Development Plan as authorized by the Council of Ministers for Economic Affairs. These loans are scheduled to be repaid in twenty-four instalments starting in their eighth year after the date of the loan; the rate of interest is 4 per cent a year (Decree Law No. 48,292, 26 March 1963). It will be recalled that in 1967, the Portuguese Government suspended the payment of interest on loans granted to the Territory to finance the development plans (see A/7200/Add.3, chap. VIII, annex VI, para. 15).

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h/ A para-military organization similar to those in the larger Territories. See, for instance, A/7200/Add.3, chap. VIII, annex II, para. 27.

22. Target expenditure under the Third National Development Plan for 1963, originally estimated at 135.1 million escudos, was reduced by 25 per cent to 103.6 million escudos by the Council of Ministers for Economic Affairs as shown below. No information is available on actual expenditure under the Third National Development Plan during 1968, nor on the budget allocations for 1969.

Table 2

Targets of Third National Development Plan in 1968  
(million escudos)

<u>Sector</u>	<u>Original target</u>	<u>Revised target</u>
Agriculture, forestry and livestock	43.5	29.2
Fisheries	7.3	1.5
Extractive and transforming industries	13.0	18.3
Rural improvement	-	1.8
Electric power	-	5.0
Trade and storage	1.0	2.7
Transport and communications	44.0	30.1
Tourism	0.4	0.3
Education and research	15.4	15.5
Housing and urbanization	2.8	2.5
Health	<u>2.7</u>	<u>1.7</u>
Total	135.1	103.6

Sources: For original target, Portugal. Presidência do Conselho, Projecto do III Plano de Fomento para 1963-1973, vol. III, Lisbon, 1967, p. 270. For revised target, see Portugal. Presidência do Conselho. III Plano de Fomento - Programa de Execução para 1968, Lisbon, pp. 118-119.

Education

23. The last available school statistics for 1965/1966 show that primary school enrolment has continued to increase: at the rate of 15 per cent in 1963 and 1964 and a further 17 per cent by 1965/1966. Between 1964/1965 and 1965/1966, as table 3 shows, total primary enrolment rose by 965: 877 in official schools and 88 in private schools. There has been a corresponding increase in the number of schools and teachers.

24. Secondary academic education is provided at a government liceu in São Tomé, and there is a private vocational school in the Territory. In the period 1964/1965 to 1965/1966, enrolment at the liceu rose from 601 to 635, but teaching staff dropped from 35 to 32. In the same period, enrolment at the elementary vocational school dropped from 110 to 93 and teaching staff dropped from 7 to 5. Towards the end of 1968, following the extension to the overseas Territories of the preparatory cycle for secondary schools, the Portuguese Government authorized the establishment of a preparatory secondary school in São Tomé. (Decree No. 48,603, 7 October 1968). i/

25. There is no further information on the new technical elementary school which was reportedly established in 1965. In 1968, it was reported that a 10 million escudo technical school was under construction in the town of São Tomé. Equipment for the new school was to be supplied by the Gulbenkian Foundation and the Shell Oil Company of West Africa, Ltd.

Table 3

São Tomé and Príncipe: Primary education

	<u>1964/1965</u>	<u>1965/1966</u>
Enrolment	<u>5,738</u>	<u>6,703</u>
Official	4,370	5,247
Private	1,368	1,456
Schools	<u>30</u>	<u>37</u>
Official	14	18
Private	16	19
Teachers	<u>133</u>	<u>176</u>
Official	103	142
Private	30	34

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Source: Portugal. Agência Geral do Ultramar, Boletim Geral do Ultramar, (No. 491), May 1966; ibid. (No. 508), October 1967.

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i/ In 1968, compulsory primary education was extended from 4 to 6 years. On completing the four primary classes pupils may go on to the two-year complementary cycle of primary education if they do not plan to go to secondary school. Alternatively they may proceed to the two-year preparatory cycle of secondary school on completion of which they may continue either in academic secondary school (liceu) or in a technical school.

# ANNEX VII\*

## MACAU AND DEPENDENCIES AND TIMOR AND DEPENDENCIES

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\* Previously issued under the symbol A/AC.109/L.538/Add.5.

## A. MACAU AND DEPENDENCIES

### General<sup>a/</sup>

1. Most of the population of Macau and Dependencies is Chinese but the exact number is not known. At the 1960 census the resident population was 169,299, of whom about 8,000 were Portuguese. According to official estimates, the population at mid-year was 280,200 in 1965, 227,500 in 1966, and 268,300 in 1967. An unofficial source estimates the 1969 population at 280,000.

### Constitutional and political

2. There were no constitutional or legislative changes in 1968 affecting the system of government and administration in the Territory.

### Economic conditions

#### (a) General

3. Since the difficulties in 1966 (see A/6700/Rev.1, chap. V, paras. 459-466) the situation in the Territory has gradually become more normal. Tourism, which fell off, has made a recovery. In 1968 there were 1,016,281 arrivals compared with 973,169 in 1967 and 1,313,858 in 1966. In 1968 departures exceeded arrivals by almost 15,000 persons, an increase over the previous year. Newspaper reports consider it encouraging that the Government has begun work on a number of projects envisaged under the Third National Development Plan, 1968-1973, including the building of a causeway between the two islands of Taipa and Coloane, at a cost of 6.8 million escudos. <sup>b/</sup> In addition, a 400-room hotel has been built on Coloane as part of a plan to develop the island into a resort area.

4. According to recent reports, Hong Kong Chinese, Japanese and local Portuguese interests have made substantial investments in new plants and factories for manufacturing woollen yarns, textiles, optical goods, cameras, transistor radios, and electronic parts. In 1968, eighty-three new plants were established with a total capital of 2.8 million patacas. These included thirteen textile plants and twenty-seven clothing and shoe factories. Production over the period 1966-1968 is shown below.

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a/ For general information on the Territory see Official Records of the General Assembly, Twenty-second Session, Annexes, addendum to agenda item 23 (part II) (A/6700/Rev.1), chap. V, para 452.

b/ One escudo equals \$US.035; \$US1.00 equals 28.5 escudos; one pataca equals 5 escudos or \$US0.175.

Table 1Macau: Production of transforming industries, 1966-1968  
(thousand patacas)

<u>Industry</u>	<u>1966<sup>a/</sup></u>	<u>1967</u>	<u>1968</u>
Soft drinks	3,400	3,500	4,000
Textiles	19,200	20,500	24,500
Clothing and shoes	59,000	59,000	75,600
Furniture	2,500	2,400	3,400
Chemicals and fireworks	17,300	17,100	17,300
Mineral and non-metallic	2,400	2,800	3,600

Source: Portugal. Banco Nacional Ultramarino, Boletim Trimestral Nos. 77/78, 1969.

a/ Revised figures. These are substantially higher than those reported in 1968 (see A/7200/Add.3, chap. VIII, annex VI, para. 27).

5. As seen in the following table, the 1966 events appear to have had little effect on exports, the volume of which continued to show an upward trend. Imports, however, were decreased in 1967 but have since increased above the 1966 level. In 1968, officially recorded gold imports amounted to 22.5 tons valued at approximately 900 million escudos.

Table 2Macau: External trade  
(thousand patacas)

<u>Year</u>	<u>Imports</u>		<u>Exports</u>	
	<u>(tons)</u>	<u>(value)</u>	<u>(tons)</u>	<u>(value)</u>
1966	345,443	293,806	30,641	138,169
1967	262,925	245,522	30,295	143,168
1968	267,495	303,237	35,546	170,610

Source: Portugal. Banco Nacional Ultramarino, Boletim Trimestral, Nos. 77/78, 1969.

(b) Public finance

6. The Territory's budgetary situation experienced a substantial set-back in 1967 when the estimated total revenue dropped to 50,987,000 patacas compared with 55,017,000 the previous year. Except for services, income from all other sources decreased, in some cases by more than 25 per cent (e.g., direct taxes). Although total actual revenue in 1968 reached a new high, at 61,887,000 patacas, the total estimated revenue for 1969, at 49,104,000 patacas, is below the 1966 level. Lower revenue from direct taxes appears to have become an accepted feature of the budget; moreover, the estimated extraordinary revenue for 1969, at 530,000 patacas, is the lowest in many years.

7. As seen in table 3 below, ordinary expenditure for 1968 was almost 50 per cent higher than that for the previous year, owing to a more than ten-fold increase in the public debt from 205,000 to 2,936,000 patacas, as well as an increase in army and navy funds, from 6,695,000 to 10,798,000 patacas; and in development services from 1,979,000 to 8,385,000 patacas. However, estimated expenditure for 1969 is substantially below that of the previous year, with extraordinary expenditure falling from 7,035,000 to only 530,000 patacas. This may, however, be due to the fact that allocations for the Development Plan were not included in the estimates.

Table 3

A. Macau: Revenue, 1966-1969  
(thousand patacas)

	<u>1966</u> (actual)	<u>1967</u> (actual)	<u>1968</u> (actual)	<u>1969</u> (estimated)
Total revenue	55,017	50,987	61,887	49,104
Ordinary revenue	49,358	46,570	54,852	48,574
Direct taxes	5,455	3,966	3,985	3,841
Indirect taxes	1,830	1,568	1,597	1,611
Industries under special régime	7,397	5,994	6,181	5,915
Revenue from services	13,578	15,748	12,951	12,186
Income from State and private industries	5,339	4,213	5,027	4,870
Refunds	6,687	6,735	6,977	6,755
Consigned receipts	9,072	8,346	18,134	13,396
Extraordinary revenue	5,659	4,417	7,035	530

B. Macau: Expenditure, 1966-1969

Total expenditure	42,565	41,987	59,675	49,105
Ordinary expenditure	32,209	34,729	52,640	48,575
Public debt	205	205	2,936	2,966
General administration	11,509	12,078	14,848	15,405
Treasury	698	728	928	1,011
Justice	801	970	1,200	1,193
Development services	1,976	1,979	8,385	6,813
Military services	3,374	4,628	6,558	4,942
Maritime services	1,725	2,067	4,240	3,604
Other expenses	11,912	12,016	12,992	12,607
Previous year	9	58	553	34
Extraordinary expenditure	10,356	7,258	7,035	530

Source: Portugal: Banco Nacional Ultramarino, Boletim Trimestral, Nos. 77/78, 1969.

(c) Development financing

8. In spite of the improved general situation in the Territory, funds authorized for development expenditure in 1968 under the six-year development plan fell far short of one-sixth of the total amount envisaged under the plan. As shown in table 4, authorized expenditure amounted to only 10.6 million escudos. Of this amount, approximately 7 million escudos was for the causeway linking Macau and Coloane, over 2 million escudos for housing and the remaining 1.5 million escudos for agriculture, electric power, tourism and research.

Table 4

Macau: Investments under the Third National Development Plan, 1968-1973  
(escudos)

<u>Sector</u>	<u>Total investment</u> <u>1968-1973</u>	<u>Allocation for</u> <u>1968</u>
Agriculture	4,800,000	500,000
Transforming industries	30,600,000	...
Electric power	147,900,000	250,000
Transport and communications	45,800,000	6,979,903 <sup>a/</sup>
Housing and urbanization	149,700,000	2,010,500
Tourism	28,000,000	750,000
Education and research	9,900,000	104,452 <sup>b/</sup>
Health	16,100,000	...
	<u>432,800,000</u>	<u>10,594,855</u>

Source: Portugal: Diário do Governo, First Series, Portaria No. 23-59,  
15 October 1963 and Portaria No. 23735, 27 November 1963.

a/ Includes 6,779,903 for the Macau-Coloane causeway.

b/ Research not related to education.

Education

9. The Territory has two school systems, an official one similar to those in other Territories under Portuguese administration and an independent Chinese school system which is financed and run by the Chinese community and which, up to 1965/1966, accounted for more than half of total school enrolment.

10. School statistics for the years 1965/1966 and 1966/1967 show that there has been a substantial change in the number of pupils enrolled in independent primary schools. As shown in table 5 below, in 1966/1967, there was a decrease of almost 6,000 in the number of pupils attending independent primary schools, but an increase of about 5,000 pupils enrolled in private infant schools.

Table 5

Macau: School statistics, 1965/1966 and 1966/1967

	<u>1965/1966</u>			<u>1966/1967</u>		
	<u>Schools</u>	<u>Teachers</u>	<u>Pupils</u>	<u>Schools</u>	<u>Teachers</u>	<u>Pupils</u>
Total	277	2,295	58,242	271	2,085	58,048
<u>Independent</u> <sup>a/</sup>						
Primary	149	956	28,846	82	674	22,815
Secondary	37	414	5,630	33	338	5,555
Special <sup>b/</sup>	1	3	16	1	3	17
<u>Private</u>						
Infant schools	26	96	3,630	90	300	8,600
Primary	29	354	12,641	27	320	12,029
Secondary	18	267	5,336	19	228	6,060
Middle level	-	-	-	-	-	-
Higher education	-	-	-	-	-	-
Other	2	36	163	3	61	271
<u>Official</u>						
Infant schools	1	4	104	1	5	122
Primary	8	76	1,347	8	74	1,587
Secondary	1	28	318	3	51	864
Middle level	2	21	89	2	15	96
Higher education	-	-	-	-	-	-
Other	3	40	122	2	16	32

Source: Portugal: Boletim Geral do Ultramar, October 1967 and September-October 1965.

a/ Schools outside the government system.

b/ School for the blind.

#### B. TIMOR AND DEPENDENCIES

General<sup>c/</sup>

11. In 1967 the population of Timor was officially estimated at 571,100. There are no data on the distribution of the population by race after 1950.

c/ For general information on the Territory see A/6700/Rev.1, chap. V, para. 484.

## Constitutional and political

12. There were no constitutional or legislative changes in 1968 affecting the system of government and administration of the Territory.

### (a) Territorial government

13. In June 1969, Brigadier Valente Pires, the Governor of the Territory, was called to Lisbon to discuss various administrative questions. It was his first visit to Lisbon since his appointment in December 1967.

### (b) Local administration

14. According to local legislation enacted in 1965 (Timor Portaria No. 3,703, 25 September), elections of members to local administrative bodies were to be held in 1969. No information is available on arrangements for those elections.

## Economic conditions

### (a) General

15. In the past decade there has been little change in the level of development of the Territory. Although the Territory has fertile areas and a variety of crops are grown for local consumption, the main exports are limited to coffee, copra and rubber. The general pattern of production and exports, as revealed by official statistics, is one of stagnation, with little change in the traditional methods and no improvement in yield.

16. Portuguese sources consider that lack of capital and shortage of manpower are the Territory's main economic problems. The drop in coffee exports in 1968 compared with the previous year is attributed to a lack of adequate labour at harvest time. There is no information, however, on wage rates and labour conditions in the Territory.

17. Timor's foreign trade has been traditionally linked with countries in the region and other countries maintaining good shipping connexions with the Territory. In recent years an effort has been made to increase imports from the Portuguese escudo zone. From 1964 to 1968 imports from Portugal and the overseas Territories actually rose from 22 to 61 per cent of the total by value. According to Mr. Barros Duarte, a deputy to the National Assembly in Lisbon, one difficulty in trade relations between Timor and Portugal is a lack of confidence between the traders in Portugal and the Chinese traders in the Territory, who make up 98 per cent of those handling the Territory's import-export trade.

### (b) External trade and payments

18. The Territory's exports, mainly coffee, copra and rubber, on an average amount to less than 50 per cent of the value of its imports. As shown in table 6 below the Territory's balance of trade deteriorated further in the period 1966-1968; no information is available on the nature of imports which have aggravated the trade deficit.

Table 6

Timor: External trade, 1964-1968

<u>Year</u>	<u>Imports</u>		<u>Exports</u>		<u>Balance</u>
	<u>(tons)</u>	<u>(million escudos)</u>	<u>(tons)</u>	<u>(million escudos)</u>	<u>(million escudos)</u>
1964	11,064	88.8	4,739	53.5	-35.3
1965	11,324	113.2	4,728	55.0	-58.2
1966	17,516	141.5	3,409	35.4	-106.1
1967	17,143	148.1	7,364	76.2	-71.9
1968 <sup>a/</sup>	15,641	153.3	4,611	55.3	-98.0

Source: Banco Nacional Ultramarino, Boletim Trimestral, No. 74, 196, p. 39, and No. 77/78, 1969, p. 75.

a/ Provisional figures.

19. In 1963, coffee exports surpassed the 2,000-ton mark, for the first time, and in 1967 amounted to almost 3,600 tons (see table 7 below). Copra exports, however, have been stagnant, and rubber exports have continually decreased.

Table 7

Timor: Export of major crops, 1966-1968

	<u>1966</u>		<u>1967</u>		<u>1968<sup>a/</sup></u>	
	<u>(tons)</u>	<u>(million escudos)</u>	<u>(tons)</u>	<u>(million escudos)</u>	<u>(tons)</u>	<u>(million escudos)</u>
Coffee	1,496	27.8	3,591	60.5	2,919	48.1
Copra	1,210	3.6	1,526	7.3	1,008	3.6
Rubber	204	1.8	150	1.0	140	0.8

Source: Banco Nacional Ultramarino, Boletim Trimestral, No. 77/78, 1969, p. 74.

a/ Provisional figures.

20. As there is little industry in the Territory, consumer goods make up most of the imports, with textiles alone accounting for about 20 per cent of the total value in an average year. Also high on the list of imports are wines and beverages, which in 1965 accounted for 6 per cent of the total value of imports; petroleum and gasoline, 4 per cent; tobacco and wheat, 3 per cent each; and sugar, 2 per cent; while machinery and vehicles accounted for less than 2 per cent.

21. In 1968, the Territory's main clients were Denmark, which purchased 27 per cent of the total exports by value; the Netherlands, 25 per cent; and Norway, Portugal, Singapore and the United States of America, 9 per cent each. The main suppliers were Portugal, which accounted for 38 per cent of the total imports by value; other overseas Territories, 23 per cent; Singapore, 12 per cent; Japan, 6 per cent; and the United Kingdom of Great Britain and Northern Ireland and Australia, 5 per cent each.

22. With a traditionally negative balance of trade, tourism and Portuguese government payments are practically the only sources of foreign exchange for Timor. In 1968, the Territory's balance of payments registered a surplus of 5.4 million escudos, due mainly to government transfers into the Territory amounting to 122.2 million escudos, of which some 33 million escudos was for Portuguese armed forces in the Territory.

#### (c) Livestock

23. Timor's total livestock population was 700,524 in 1967, compared with 815,459 in 1965. Despite the existence of natural pastures, ranching activities are as yet poorly developed and the diet of the indigenous population lacks proteins.

24. In 1968, to help diversify the Territory's economy, the Portuguese Government set up a Livestock Development Fund (Decree No. 48767, 16 December 1968). This Fund is responsible for the development of ranching activities and livestock trade as well as the expansion of related industries. An administrative committee manages the Fund. No information is available, however, on its membership, the sources of financing and its activities.

#### (d) Public finance

25. In recent years the Territory's revenue has been insufficient to meet necessary government expenditures, and about 10 per cent of its revenue has been made up by subsidies from other overseas Territories. From 1960 to 1963, Timor received an annual subsidy of 4.5 million escudos from Angola and Mozambique; from 1964 to 1967 Angola's subsidy rose to 3.5 million escudos and Mozambique's to 4 million escudos. Macau's share was 500,000 escudos in 1962, 3 million escudos in 1964 and 1965 and 2 million escudos in 1966.

26. Table 8 below shows the Territory's public accounts for the period 1966-1968. The Territory's main single item of revenue is the personal tax (imposto domiciliar), d/ which, in an average year, accounts for over 25 per cent of total ordinary revenue.

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d/ The imposto domiciliar is an annual personal tax of 160 escudos plus an additional 30 escudos which is paid to local government bodies (see A/6700/Rev.1, chap. V, para. 491).

Table 8

Timor: Public finance, 1966-1968  
(million escudos)

A. Revenue

	<u>1966</u> (actual)	<u>1967</u> (actual)	<u>1968</u> (estimated)
Ordinary revenue	90.4	96.9	110.8
Direct taxes	29.5	32.4	33.3
Indirect taxes	11.7	14.2	15.6
Special régime industries	4.1	5.5	7.0
Income from services	24.8	21.4	24.9
Income from State and private industries	7.2	8.8	10.2
Income from shares	-	-	2.0
Refunds	2.3	2.5	3.1
Consigned receipts	10.8	12.1	14.7
Extraordinary revenue	<u>48.2</u>	<u>53.6</u>	<u>54.9</u>
Total	138.6	150.5	165.7

B. Expenditure

Ordinary expenditure	78.1	83.5	71.0
Public debt	0.9	0.9	0.4
Government	2.2	2.6	0.9
Pensions	2.6	2.7	2.0
General administration	28.8	30.9	30.3
Treasury	3.5	3.9	3.7
Justice	0.8	0.9	0.8
Development services	11.2	12.1	11.8
Military services	5.1	5.2	3.1
Naval services	0.8	0.8	0.9
General expenditures	22.0	23.3	16.9
Other	0.2	0.2	0.2
Extraordinary expenditure	<u>59.1</u>	<u>55.2</u>	<u>24.6</u>
Total	137.2	138.7	95.6

Source: Banco Nacional Ultramarino. Boletim Trimestral, No. 77/78, 1969, p. 78

27. For 1969, ordinary revenue is estimated at 100.5 million escudos, and ordinary expenditure is estimated at the same level. Estimated military expenditures for the armed forces at 34.9 million escudos are slightly higher than those in 1968, with 32.7 million escudos for the army and 2.2 million escudos for the navy. Of the total, 2.2 million escudos will be paid from territorial revenue, and 32.7 million escudos will be paid by Portugal.

(e) Development financing

28. As reported last year, an expenditure of 560.5 million escudos is envisaged in Timor under the Third National Development Plan for the period 1968-1973 (see A/7200/Add.3, chap. VIII, annex VI, paras. 40-41). The entire amount is to be financed by Portuguese sources, with 538.7 million escudos to be provided by the Portuguese Government in loans and 21.8 million escudos through self-financing by private industry.

29. In practice, however, the programmes to be implemented each year are determined by the Council of Ministers for Economic Affairs; the Ministry of Finance then grants a loan for the amount needed. For Timor, these loans are interest free; repayment, moreover, has been suspended until the Territory's budgetary conditions improve (Decree Law No. 48,292, 26 March 1968).

30. Under the Third National Development Plan, it was originally envisaged that 62.5 million escudos would be expended in 1968 as shown in table 9. However, during the year, an allocation of only 6.2 million escudos was authorized (Portaria No. 23,657, 15 October 1968). No further information is available on the actual expenditure during the year or on budget allocations for 1969.

Table 9

Timor: Targets of Third National Development Plan in 1968  
(million escudos)

<u>Sector</u>	<u>Target</u>
Agriculture, forestry and livestock	11.5
Fisheries	0.9
Extractive and transforming industries	5.3
Rural improvement	1.0
Electric power	1.3
Transport, communications and meteorology	22.6
Tourism	2.6
Education and research	6.6
Housing and urbanization	6.9
Health	3.8
Total	62.5

Source: Portugal: Presidência do Conselho, III Plano de Fomento - Programa de Execução para 1968, Lisbon, 1968, pp. 132-133.

31. School statistics for 1966/1967 show that primary school enrolment<sup>e/</sup> has continued to increase, but still represents only about 20 per cent of children of school age in the Territory. In 1966/1967, as shown in table 10, apart from official primary schools, which include government and subsidized mission schools, there were two private primary schools of which nineteen were not recognized by the Government.

32. Although there were 420 primary school teachers in recognized schools in the school year 1966/1967, most of these were "monitors". <sup>f/</sup> Official information shows that for the school year 1964/1965 out of 295 teachers, only 44 were full primary school teachers, 9 were school post teachers and 242 (about 82 per cent) were "monitors".

Table 10

Timor: primary education

	<u>1965/1966</u>	<u>1966/1967</u>
Enrolment	<u>18,600</u>	<u>22,243</u>
Official	17,227	20,608
Private	-	210
Non-recognized	1,373	1,425
Schools	<u>161</u>	<u>195</u>
Official	143	174
Private	-	2
Non-recognized	18	19
Teachers	<u>450</u>	<u>472</u>
Official	353	416
Private	-	4
Non-recognized	97	52

Source: Portugal. Agência Geral do Ultramar, Boletim Geral do Ultramar, No. 508, October 1967 and No. 519/520, September-October 1968.

<sup>e/</sup> Primary schools in the Territory include elementary primary schools consisting of the pre-primary and the four elementary classes, and school posts, consisting of the pre-primary and the first three elementary classes. For a description of the school system in the overseas Territories, see Official Records of the General Assembly, Twentieth Session, Annexes, addendum to agenda item 23 (A/6000/Rev.1), chap. V, paras. 37-42; A/6700/Rev.1, chap. V, paras. 77-83.

<sup>f/</sup> A "monitor" is a teacher for the pre-primary and the first three elementary classes of primary school who has completed four years of primary education and a special training course of about two and a half months' duration. A regular primary school teacher must have had at least five years of secondary education and have completed a two-year primary teachers' training course. (See A/6700/Rev.1, chap. V, paras. 232-233.)

33. During 1966/1967 there were 833 students enrolled in the four academic secondary schools (liceus), 12 students in the technical secondary school and 83 students in the school post teachers' training course. There were also 150 students enrolled in the Chinese secondary school (liceu chinês), which is not recognized by the Government.

34. In 1967, the Government spent 4.3 million escudos (about 5 per cent of the total ordinary budget) on education. In order to increase primary school enrolment to 40 per cent of all children of school age by 1973, it is estimated that an annual expenditure of 17.2 million escudos, or four times the size of the current budgetary allocations, would be required. As the Territory cannot afford to finance such a scheme, this target could only be reached if Portugal made the necessary funds available.



# ANNEX VIII\*

## ASSISTANCE TO REFUGEES FROM TERRITORIES UNDER PORTUGUESE ADMINISTRATION

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\* Previously issued under the symbol A/AC.109/L.570.

A. ACTION TAKEN BY THE SPECIAL COMMITTEE AND THE GENERAL ASSEMBLY

1. In 1968, after hearing the petitioners and following a general debate on the question of the Territories under Portuguese administration, the Special Committee on 28 June adopted a resolution a/ in which, among other things, it expressed its appreciation to the United Nations High Commissioner for Refugees, the specialized agencies concerned and other international relief organizations for the help they had given so far, and requested them, in co-operation with the host and other interested Governments, with the Organization of African Unity and through it with the national liberation movements, to increase their assistance to the refugees from the Territories under Portuguese domination and to those who have suffered and are still suffering as a result of the military operations.

2. At its twenty-third session, the General Assembly, after having considered the chapter of the report of the Special Committee on the Territories, under Portuguese administration (A/7200/Add.3, chap. VIII), adopted resolution 2395 (XXIII) of 29 November 1968, in which it reiterated its appreciation to UNHCR, the specialized agencies and other international relief organizations concerned for the help they had given so far, and invited them to increase their assistance, including health and medical facilities, to the victims of Portuguese colonialism.

3. The following information on the assistance provided by the High Commissioner for Refugees from Angola, Mozambique and Guinea, called Portuguese Guinea, has been summarized from the report of the High Commissioner to the General Assembly at its twenty-third session, b/ the UNHCR programme for 1969 (A/AC.96/396); and the summary of information on UNHCR material assistance operations during the period 1 January-30 June 1968 and additional statistical data (A/AC.96/INF.88).

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a/ A/7200/Add.3, chap. VIII, section II A.

b/ Official Records of the General Assembly, Twenty-third Session, Supplement No. 11A (A/7211/Add.1).

B. REFUGEE SITUATION AND MEASURES TAKEN FOR REFUGEES FROM  
ANGOLA, MOZAMBIQUE AND GUINEA, CALLED PORTUGUESE GUINEA

4. During 1968, the flow of new refugees from the three Territories under Portuguese administration into neighbouring countries was substantially less than in the previous years. Whereas, from December 1965 to December 1967, the total number of refugees from the Territories under Portuguese administration rose by over 159,000, from 284,700 to 443,950, the increase for the eighteen-month period from 1 January 1967 to 30 June 1968 was 32,354, of which 8,504 arrived in the first six months of 1968. The number of refugees from Angola, Mozambique and Guinea, called Portuguese Guinea, are shown in table 1 below according to origin and country of asylum.

Table 1

Number of refugees from Territories under Portuguese  
administration at the end of June 1968

<u>Territory of origin</u>	<u>Country of asylum</u>	<u>1 Jan. 1967</u>	<u>31 Dec. 1967</u>	<u>30 June 1968</u>
Angola	Congo (Dem. Rep. of)	330,000	350,000	350,000 <sup>a/</sup>
	Zambia	3,800	6,200	7,900
Guinea, called Portuguese Guinea	Senegal	62,000	60,000	61,254 <sup>b/</sup>
Mozambique	United Republic of Tanzania	19,000	25,000	27,000 <sup>c/</sup>
	Zambia	1,800	2,750	2,800 <sup>d/</sup>
Total		416,600	443,950	448,954

Sources: A/AC.96/390; A/AC.96/396; and A/AC.96/INF.88, passim.

a/ Adjusted estimate as at 1 January 1968.

b/ An influx of 2,000 new refugees was reported in the first part of 1968.

c/ Includes 8,200 at the Rutamba Settlement, 10,000 at the Muhuru Settlement and 4,400 at Lundo.

d/ At Nyimba where there are 1,500 to 2,000 living in the settlement. There was an influx of 200 new refugees during 1968.

5. Under the UNHCR programme for 1969, proposed global allocations amount to \$US5,631,000, an increase of almost 25 per cent over the previous year. The proposed allocations for refugees from Angola, Mozambique and Guinea, called Portuguese Guinea, amount to \$US835,000 compared with \$US662,015 in 1968, \$US683,500 in 1967 and \$US532,550 in 1966. The proposed UNHCR allocations are shown below. Previous information on the settlement programmes in the host countries was presented in A/7200/Add.3, chap. VIII, annex VII. Supplementary information is summarized in the following sections.

Table 2

UNHCR allocations for 1968 and 1969 for refugees  
from Territories under Portuguese administration

<u>Territory of origin</u>	<u>Country of asylum</u>	<u>Number 30 June 1968</u>	<u>UNHCR allocations</u>	
			<u>1968</u> (United States dollars)	<u>1969</u>
Angola	Congo, (Dem. Rep. of)	350,000 <sup>a/</sup>	50,000	275,000
	Zambia	7,900	86,250	266,000 <sup>b/</sup>
Guinea, called Portuguese Guinea	Senegal	61,254	115,000	100,000
Mozambique	United Republic of Tanzania	27,000	391,765	194,000
	Zambia	2,800	19,000	<sup>c/</sup>
Total		448,954	662,015	835,000

Source: A/AC.26/396, passim.

a/ Adjusted estimate at 1 January 1968.

b/ Includes \$US6,000 as a fund for permanent solutions for assistance to small groups of refugees scattered over the country, including refugees from South Africa and Namibia.

c/ Cost to be absorbed under existing allocations.

## Refugees from Angola in the Democratic Republic of the Congo

6. Although UNHCR reports that adjusted estimates give the number of Angolan refugees as 350,000 at 1 January 1968, it notes that because of the continued influx of refugees, this figure is subject to rectification after a census the Congolese Government intends to make.

7. For 1969 the UNHCR has allocated \$US275,000 for Angolan refugees in the Kongo Central, Bandundu and Katanga provinces of the Democratic Republic of the Congo. Owing to the constant influx of new refugees and to the fact that the majority of the Angolan refugees have settled in Kongo Central Province, which is one of the most densely populated areas of the country, there has been some deterioration in local agricultural conditions. The subsequent repercussions in the social and economic conditions of the province have placed a strain on its public social services. The High Commissioner reports that the lack of schools and health facilities prevents improvement of living conditions and that, "on the basis of available information, it appears that, unless improved agricultural methods are introduced, the whole population of Kongo Central, including the refugees, will have to face a food crisis within a few years. The first signs of soil exhaustion and of increasing erosion have already been recorded."

8. It is planned to use the main part of the 1969 UNHCR allocation to strengthen primary school and medical facilities. A first allocation of \$US100,000 will be used towards the construction of 77 new classrooms, under a \$US500,000 plan drawn up by the Ministry of Education of the Democratic Republic of the Congo. The sum of \$US40,000 will be donated to a voluntary agency towards the construction and initial running costs of 60 classrooms in the Congo Estuary.

9. In addition, \$US60,000 has been allocated for the building and equipment of new dispensaries in Kongo Central Province. A further \$US25,000 will be used to assist refugees in Bandundu Province, especially those in the region around Kasongo-Lunda who need medical assistance, as well as seeds and tools to improve their crops. The balance of \$US50,000 is to be used for similar assistance in other parts of the Bandundu Province and in Katanga Province, in particular at Kehemba, Tshikapa and Dilolo on the border with Angola.

## Refugees from Mozambique in Tanzania

10. As previously reported, the three main settlements of Mozambique refugees in Tanzania are located at Rutamba, Lundu and Muhukuru, for which the 1969 UNHCR allocations are \$US42,000, \$US58,000 and \$US75,000 respectively.

11. Rutamba. The situation at the Rutamba settlement has undergone some changes since 1965. At that time, a UNHCR allocation of \$US520,500 was approved for three years for the settlement of 10,000 refugees at this site, but owing to the fluctuation in the size of the population, the scheme was subsequently revised to provide for 6,000 persons (A/7200/Add.3, chap. VIII, annex VII, para. 11). In the course of 1967, however, a new influx brought the total number

of refugees to over 8,000. In April 1968, there was a further influx of 1,300 refugees. The Government of Tanzania accordingly made more land available and the High Commissioner authorized an allocation of \$US47,070 from the Emergency Fund which was used to pay for port handling charges for additional World Food Programme commodities, and for assistance in the housing of the refugees and the provision of school facilities.

12. The cost of the programme for the Rutamba settlement in 1969 has been set at \$US174,260, of which the Tanzanian Government and the World Food Programme will contribute \$US70,510 (mainly in kind) and the Lutheran World Federation/Tanganyika Christian Refugee Service, \$US61,750. The UNHCR allocation of \$US42,000 is intended for the maintenance and operating costs of community services, including primary school and public health facilities.

13. Lundo settlement. The Lundo settlement, which was started in 1966, was originally expected to be completed by 30 June 1968. As a result of difficulties in building access roads and delays in the implementation, the project was extended beyond the original target date with an allocation of \$US47,150 and a further allocation of \$US60,245 to provide for the increase in refugees during 1968, which brought the total population at this settlement to 6,000. A number of refugees have left the settlement and the present population is 4,400.

14. The programme for the Lundo settlement in 1969 will cost an estimated \$US189,700, of which the Tanzanian Government will contribute services amounting to \$US3,600, the World Food Programme, \$US77,500 (mainly in kind) and the Lutheran World Federation/Tanganyika Christian Refugee Service, \$US50,600. The UNHCR allocation of \$US58,000 will be used mainly for help in providing inland transportation, storage and handling of World Food Programme commodities, health facilities, and operating costs of primary schools and vehicles.

15. Muhukuru. This project was originally set up for the settlement of some 6,000 refugees from Mozambique. UNHCR made an allocation of \$US255,400 under its 1967 programme and \$US124,000 under its 1968 programme. During the early part of 1968, the total refugee population increased to some 10,000 persons, and the High Commissioner allocated an additional \$US67,700 from the Emergency Fund to help meet the settlement's requirements.

16. With the international help provided, the infrastructure for this settlement has been completed. The total cost of the programme for the Muhukuru settlement in 1969 will amount to \$US251,600, of which, in addition to the Tanzanian Government contribution, the World Food Programme will provide an estimated \$US96,000 in food commodities, and the Lutheran World Federation/Tanganyika Christian Refugee Service will contribute \$US76,800 in cash and goods in kind. The UNHCR allocation of \$US75,000 will be used for agricultural assistance, the provision of transport and handling costs of supplies and operational costs of health facilities and schools.

## Refugees from Angola and Mozambique in Zambia

17. There are some 7,900 Angolan refugees in Zambia of whom 4,000 live in the settlements of Lwatembo and Mayukwayukwa. Settlement is also to be provided for Angolan refugees who arrived at the end of 1967 and early 1968.
18. Lwatembo. UNHCR assistance to this project, which amounted to \$US251,500 in 1967 and \$US33,250 in 1968, was used to help the refugees become self-supporting. Further troubles in the area, a new influx of refugees, and the need to move some of the original refugees because of overcrowding made it necessary for the High Commissioner to allocate a further \$US32,695 for assistance to the end of 1968.
19. The infrastructure of the settlement has been completed and the programme for 1969 is mainly for the maintenance of communal services, including schools, dispensaries and transportation. Of the total requirement of \$US98,780, the Government of Zambia will contribute \$US13,000, the World Food Programme will provide supplies at an estimated value of \$US34,430, and the Lutheran World Federation/Zambia Christian Refugee Service will provide \$US22,260 in cash and in kind. The UNHCR allocation for this project amounts to \$US29,000.
20. Mayukwayukwa. Following the arrival from Angola of about 1,000 refugees in September 1966, UNHCR first made an emergency allocation of \$US18,750; subsequently \$US86,600 was allocated for the 1967 phase of the one and a half year programme and \$US53,000 was allocated for 1968. There are now some 2,200 refugees at Mayukwayukwa, including 450 of the original 1,000 and 1,750 transferred from Lwatembo.
21. As at Lwatembo, the infrastructure of the settlement has been completed and the 1969 programme is mainly for the maintenance of communal services. Of the total cost of \$US149,905, the Zambian Government will contribute \$US26,745, the World Food Programme supplies valued at \$US62,170, the Lutheran World Federation/Zambia Christian Refugee Service, \$US29,990 in cash and in kind and UNHCR, \$US31,000.
22. Although UNHCR had allocated \$US200,000 under its 1969 programme for a new settlement in Barotse Province for the 3,500 new refugees from Angola who arrived in January 1968, after further consideration by the Zambian Government, that allocation has been cancelled and the amount for the Mayukwayukwa settlement has been increased to \$US231,000.
23. Nyimba settlement. During 1968, there was a further influx of some 200 refugees at this settlement which numbered 1,500 to 2,000 persons. Despite the new influx, the High Commissioner expects to be able to provide the necessary assistance within existing allocations because the present population is already self-supporting.

## Refugees from Guinea, called Portuguese Guinea, in Senegal

24. UNHCR assistance to the refugees from Guinea, called Portuguese Guinea, in Senegal dates back to 1964, up to which time assistance in kind had been supplied mainly by the Government of the United States of America which sent food through the Catholic Relief Services/United States Catholic Conference and other voluntary agencies. UNHCR's contributions and assistance from other sources over the period 1964-1968 are shown below.

(United States dollars)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u> (forecast)
UNHCR	68,000	108,170	200,437	135,830	115,000
Other sources	192,000	412,000	802,000	2,893,000	...

25. According to an official census carried out in the Casamance area, there were 58,754 refugees from Guinea, called Portuguese Guinea, in the area on 15 July 1968. This figure represents an increase of almost 2,000 over the figures for December 1967. In addition there are approximately 2,500 refugees settled in the urban area of Dakar.

26. As statistics show that during last year the number of refugees in the Casamance area has become stabilized, and since agricultural settlement of the existing refugees has been almost completed, the main UNHCR assistance during 1969 will be for the provision of health and education facilities, allocated as follows: health, \$US32,000; education, \$US60,000; community development, \$US5,000; and other assistance, \$US3,000.

27. Assistance in the provision of health facilities includes the setting up of two rural dispensaries, \$US5,000; the purchase of two vehicles for a mobile medical programme at Casamance, \$US8,000; operational costs of a mobile medical team for preventive medicine, \$US10,000; medical supplies, \$US6,000; and the operation of a mobile dental service by a dentist of the International Voluntary Service, \$US3,000.

28. The \$US60,000 UNHCR allocation for education is to be used to help the local authorities build 15 additional schools during 1969. The remaining \$US8,000 is to be used to help the integration of recently trained farmers into their new surroundings and to provide for transport needs as necessary. Some assistance is to be provided to the refugees in Dakar but funds for this purpose are to come from the over-all allocation.

### Assistance under the UNHCR Education Account

29. The High Commissioner reports that under the UNHCR Education Account<sup>c/</sup> assistance has been granted to refugees from several countries, including Angola, as a result of a contribution received from the Swedish Government.

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<sup>c/</sup> A summary of the UNHCR's position as regards assistance in education is set out in the annex below.

## APPENDIX

### UNHCR ASSISTANCE IN EDUCATION

1. Assistance in education was discussed by the Executive Committee of the High Commissioner's Programme at its nineteenth session held in Geneva 21 to 30 October 1968. The High Commissioner's policy and guidelines on assistance in education were set out in a note (A/AC.96/394), and an attached report on education and training of refugees in Africa prepared by a consultant seconded by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to the office of the High Commissioner.
2. In his note, the High Commissioner reported that, in keeping with the policy he had previously outlined, he had continued to provide primary education within the UNHCR regular programme. He added that a recent survey in the African host countries had shown that this policy was satisfactory and suggested that it should be continued in the interest of both the refugees and the countries of asylum.
3. As outlined by the High Commissioner, the main features of his policy are:  
(a) that in giving assistance for the primary education of refugee children, UNHCR is governed by the host country's educational plans, systems and standards;  
(b) while primarily contributing towards the building and equipment of schools, UNHCR assistance towards operating expenses is not excluded, but the aim is to have these expenses taken over by the Government or a voluntary agency and to have these schools integrated in the host country's national network of primary education; (c) UNHCR will also assist in financing primary education in areas of refugee concentration, even in the absence of organized settlements.
4. The High Commissioner also proposed that assistance for secondary education should be continued under the Refugee Education Account. He noted, however, that since the demand for education of this type was so high, the resources available in the account might be insufficient to meet even the minimal needs. He therefore suggested that UNHCR assistance to secure the admission of refugee students might either be in the form of subventions to existing secondary schools or of contributions to the building or extension of schools. In the area of technical and vocational training, apart from providing scholarships in existing institutions, the UNHCR would concentrate its efforts on securing admission for a refugee quota in planned vocational centres or technical schools. It was also proposed that UNHCR should continue to include a limited number of higher education scholarships under the Education Account, giving priority to fields which hold a realistic promise of employment and paying due attention to the need to enable African students to study, without further uprooting, in their own areas.
5. In its decisions on this question, the Executive Committee, among other things, recognized that education for refugees, a fundamental human right, was the concern of the international community, whose active support was essential in helping host countries to provide adequate educational facilities for refugees, particularly at post-primary level. It also authorized the High Commissioner

to provide educational assistance to refugees in 1969 in accordance with the above cited general guidelines, it being understood that assistance at the primary level should continue, to the extent possible, to be incorporated in the High Commissioner's regular programme. The Executive Committee further requested the High Commissioner to continue to emphasize the need for educational assistance to refugees within the framework of inter-agency co-operation and to bring to the attention of UNESCO and other members of the United Nations system, the need for educational assistance to refugees to be taken into account when drawing up their education and training programmes, particularly in developing countries, so that these programmes might benefit both refugee and nationals.