DECEMBER 12:
Kenya Asks for Security Council Hearing:
Kenya called for an emergency session of the Security Council to discuss Rhodesia. The effort was initiated to prevent large numbers of African states from breaking with Britain, December 15th. Kenya's President Kenyatta said in his message that voluntary sanctions had doubtful chances of success. The Rhodesian crisis could set off a racial war that would have world wide significance. Thus the Security Council should immediately call for mandatory sanctions under Chapter VII of the United Nations Charter to help destroy Smith and prevent a war.

The Security Council will meet Monday at 4:00. Both British and U.S. spokesman refused to comment on the requested appeal to Chapter VII. Both nations have avoided it. Britain does not want any action against Rhodesia to be taken under Chapter VII. In order for such action to be taken, the Rhodesian situation would have to be defined as a threat to world peace. This would open the door to economic and military action. However, without a United Nations force, the measures adopted could not be enforced. British and U.S. agreement would be essential for any approval and effective action.

Kenyatta Denounces Smith:
On the second anniversary of Kenya's independence, Kenyatta vigorously attacked Ian Smith for seizing independence in order to prevent the political advancement of the Rhodesian blacks.

Tanzania to Break with Britain:
In spite of Zambia's appeal to continue relations with Britain, President Nyerere of Tanzania has cabled his decision to the Sec. General of the O.A.U. Diallo Telli, stating that his nation would honor the O.A.U. resolution to break with Britain.

Tanzania's break with Britain cannot be seen as an irrational or spur-of-the-moment decision. Tanzania has done all in her power to cooperate with Britain. She was supportive during the long negotiations which preceeded U.D.I. She called on nationalist leaders to use constitutional means; she was willing to take the time to see a correct, not a hasty solution emerge. She even waited to see if sanctions could work, in spite of a disbelief in their effectiveness.

Tanzania was willing to fully cooperate with Britain because Tanzania honored Britain's continued demands that Britain was responsible for what happened in Rhodesia. However, the failure of Britain to break Smith, coupled with Britain's continued rejection of outside help from the United Nations or the Commonwealth, has disillusioned Nyerere. The only honorable alternative is to break with Britain, according to Nyerere.
Tanzania will suffer from this break. The Economist reports: "Britain does not usually grant capital aid without supervision, and it is therefore assumed that when the British high commission in Dar closes down all capital aid will cease. A recently announced interest-free loan of L 7.5 million has not yet been signed and it is unlikely that it now will be. Other outstanding capital aid amounts to about L 800,000. The development expenditure estimates for 1965-66 show British aid at 22 per cent as far the largest foreign contributor."

There are over 1000 Britons in Tanzania under technical assistance programs. Nyerere hopes that many of these whites will stay in the country and has assured them of their safety.

Nyerere is not demanding the defeat of Smith by December 15th, but rather decisive British action, such as the occupation of Kariba. Nyerere is acting on three principles in his decision to sever ties with Britain: (1) a belief in racial equality throughout all of Africa, (2) the decision of the O.A.U. that this action is necessary, and (3) the principle that the international community must act decisively against challenges to law, morality, and world opinion.

Zambia Not to Break With Britain:

Zambia will not sever its ties with Britain for a number of reasons. Zambia cannot stop all its dealing with Rhodesia until alternative routes and supplies are discovered and British help is needed in finding these alternatives. Further, the Royal Air Force jets would undoubtedly be withdrawn if ties were severed.

Kaunda is in a tricky spot. His Foreign Minister, Mr. Kapwepwe, at first severely attacked the "outdated and useless" aircraft that Britain had sent to Zambia. He has since been persuaded that the force is capable of fighting Rhodesian planes. But, the incident points to the problems within the Zambian cabinet. Kaunda is being pressured into taking a more militant stand. Kapwepwe is seen as a real potential rival, although he presently is loyal to Kaunda. Kapwepwe's support comes from the north among the Bamba-speaking people who make up 40% of the population and 80% of the copperbelt.

Kaunda's position will become even more difficult as the belief that Wilson and Smith are acting in collusion grows. What would dispel this belief would be British occupation of the Kariba power installation.

Compromise on Kariba

It has been suggested that if a strong British force were placed on the Zambian side of the border ready to move across with real power if needed, this might solve the problem. However, neither side is likely to accept it. Rhodesia could quickly put the dam out of commission by simply removing a few pieces of vital equipment.
Extent of British Aid to Africa:

What would a break between African and Britain really mean, a break that has been called for by the Organization of African Unity? No one seems to be sure. British aid to African states amounts to L61 million a year. 8000 Britons work in Africa and 5000 Africans study in Britain. Much of this might continue after diplomatic breaks. However, it is doubtful that any military aid would go to states preparing to fight Rhodesia, with the possible exception of Zambia.

The African states sterling balances are estimated to total about L400 million. If the Africans were willing to suffer the consequences to their own currencies, they could really hurt Britain's reserves and currency by withdrawal.

Ian Smith's Christmas Card

The Daily Mail carried Prime Minister Ian Smith's "Christmas" greeting: The Card: a picture of the map of Rhodesia. Four white men stand erect, back to back on the map. From the midst of them arise a cross, the Union Jack and the crown. Inside are the words from Rhodesia's Declaration of Independence: "We have struck a blow for the preservation of justice, civilization and Christianity." It is clear that Mr. Smith's "justice" "civilization", and "Christianity" are all a mockery.

          Economist, Dec. 11
          Observer, Dec. 12
          Daily Mail, Dec. 10

DECEMBER 13:

NATO

The North Atlantic Treaty Organization ministers meet in Paris tomorrow. Both Vietnam and Rhodesia will be discussed. The United States is asking for support for her position in Vietnam and Britain is asking for discussion on Rhodesia.

Security Council Meeting Postponed:

The Security Council meeting scheduled for today was postponed on Kenya's request until tomorrow.

Wilson at the United Nations:

Prime Minister Wilson will speak before the UN General Assembly on Thursday, but he may also speak at the Security Council, a very unusual act for a head of state. Wilson would present Britain's case on the Rhodesian crisis and attempt to keep the Council from taking action that Britain feels would be explosive. Wilson is opposed to any use of military force as he knows that the military obstacles are severe and that there is little support for this at home. He also fears it because such action could lead to bloodshed and chaos in Rhodesia.
Nigeria's Balewa in London:
Nigeria's Prime Minister, Sir Abubakar Tafawa Balewa arrives in London December 14, to present to Britain his ideas on how to prevent the African states from breaking with her. He is said to favor a meeting of British Commonwealth Prime Ministers.

The U.A.R. Reverses Its Position:
The United Arab Republic has decided not to break with Britain and has called a new meeting of African foreign ministers to discuss their stand against Rhodesia. Cairo reversed itself because of the reluctance of other states to break with Britain, but felt that a meeting should be called no later than December 21 to discuss plans.

Action against Rhodesia would need Cairo's support as the U.A.R. has the strongest army of any O.A.U. member.

Bombing in Salisbury:
Four gasoline bombs were thrown into houses in the white residential suburbs of Rhodesia. No one was hurt according to the Police.

The Economist:
The Economist was sent free to Rhodesia this week to be sold on newsstands. The exchange restrictions would otherwise have meant that the paper would not have been distributed. The rationale for this move was that a British view should be available in Salisbury for those who want it.

Business in Rhodesia:
As Christmas draws nearer, the whites of Rhodesia seem to be trying to make themselves believe that all is fine. Christmas shopping is going on as usual, and there has been very little hoarding of goods. The only buying up of goods has been by women buying cosmetics and nylons. Most people have not yet been hit with the realities of sanctions. At the movies, "God Save the Queen" is still played and the Union Jack still flies. Merchants predict that by March certain products will be scarce, but by then they hope to have found substitutes.

And, it is Wilson, not Smith who is blamed for any inconvenience or anxiety. Loyalty to Smith is very strong.

However, Prime Minister Smith and his cabinet are beginning to understand what sanctions will mean, in spite of white optimism. There are rumors that not only has Britain approached Rhodesia, seeking possible ways back to normalcy, but Rhodesia has likewise sent its secret messages to Britain. What this means, no one knows.

How has Rhodesia been effected? So far, Rhodesian imports have not been greatly cut. She can no longer buy arms. But, she is still getting oil. Restrictions have been placed on consumer goods which account for about 17% of Rhodesia's imports. Producer's goods, some 70% of imports have not been hit, but will be very soon.

Exports have been hit much more, perhaps affecting 40% of Rhodesia's exports. Rhodesia's regular customers aren't buying.
Rhodesian News Summary
Dec. 13, cont.

Before long it is realistic to suppose that she will find other mar-
kets. However, Rhodesian exports will bring much lower prices
than before.

The really critical factor, effecting both imports and exports
is the financial one. The take over by Britain of the Rhodesian
Reserve Bank means that Rhodesia is actually dependent on current
earnings for meeting her financial needs. The L9 million sterling
held in London is now controlled by the London board of the Rhodesian
Reserve Bank, and the L11 million sterling held outside Britain is
now frozen because of dual claim to authority over it. Foreign Banks
are not honoring requests from Mr. Bruce, Mr. Smith's Bank Governor
to release funds. There are small amounts of foreign exchange held
by commercial banks in their own accounts. However, these funds are
irreplaceable and the commercial banks are very reluctant to use up
these small reserves.

Thus, Rhodesia must rely on her present income to survive.
These earnings amount to about 5 million pounds a month instead of
the usual 10 million pounds. Thus, imports, which usually run at
L9 million a month will have to be cut too. Somehow the British act
of taking control of the Reserve Bank was not anticipated. Thus,
Rhodesian importers are in for a rude shock when they see their
quotas, a shock for which they should have been prepared.

Newly earned foreign exchange will have to be placed in new
accounts that Britain cannot touch. The big problem is to keep the
country going until March-April when tobacco and sugar sales will
bring in money.

It is inevitable that sanctions will soon be felt very strongly.
Already, the Africans are being hit. The British Motor Corporation
laid off 10% of its black workers when Zambia announced that she
would no longer buy cars assembled in Rhodesia. It is hard to assess
African attitudes because the leadership can't be talked with. One
African said, "Maybe if we suffer we'll be able to act together."

There is some questioning as to whether Africans will lose their
jobs to make way for the white worker. Some whites at least may
be unwilling to do "black man's work". Large numbers of married
white women who work to bring in a second paycheck for luxury items
will probably be laid off early in the game.

Economist, Dec. 11
New Statesman, Dec. 10
DECEMBER 14:
Britain to Apply Oil Embargo:

Prime Minister Wilson is expected to announce an oil embargo on Rhodesia when he speaks to the United Nations, Thursday. Negotiations for the embargo are going on in London, Lusaka, and Washington.

The Conservatives are opposed to this move, so Wilson can expect trouble at home. However, the oil embargo is the strongest act which Britain has taken against Rhodesia and should ease pressures on Zambia's Kaunda, as he is being pushed to demand more extreme acts. The United States has been in favor of an embargo, according to the N.Y. Times, but felt that Britain had to take the initiative. Thus, the U.S. is pleased with the step, hoping it can ward off race war in Africa.

Cooperation of the oil producing states, principally Iran and the Arab states is essential, but is probably assured. Zambia, whose oil, rail traffic, and other crucial economic factors are connected with Rhodesia will have to be supported so that she doesn't suffer as much as Rhodesia. Air and train routes that avoid Rhodesia are being worked out.

U.N. Security Council Meeting Postponed Indefinitely:

Kenya's U.N. Representative Burudi Nabwera explained that the requested meeting had been cancelled because Britain is not prepared to consider the invoking of Chapter VII of the U.N. Charter and thus, the meeting would be worthless. It was rumored that the meeting was postponed till after Wilson spoke at the General Assembly to see what would be proposed by him.

Kenya had originally asked for the meeting to be held under the terms of Chapter VII. Both Britain and the United States reject the use of this chapter, which calls for mandatory sanctions against nations which threaten international peace. Britain's argument is that Rhodesia is not legally a nation and thus the chapter does not apply. The United States agrees with Britain.

African States Consider Break with Britain:

It was reported from Algiers that the resolution to break diplomatic relations with Britain by December 15 if Smith were not crushed, was being reconsidered.

Zambia Seeks Support:

A four man team is headed for London on Sunday to try once again to work out an acceptable plan on how to defeat Smith. The Zambian's major concern is the Kariba complex. They want British troops to surround the complex. Britain refuses to do so because such a move would necessitate the movement of troops onto Rhodesian soil. If Britain is unwilling to send just a British force, Zambia is prepared to accept a Commonwealth force.

If negotiations with Britain fail, the four man team will split
Foreign Minister Kapwepwe and Minister of Mines and Cooperatives, A. Grey Zulu, will travel to Washington to seek help. Finance Minister Arthur Wina and Minister of Agriculture Elijah Mudendo will fly to Moscow for talks.

The Washington and Moscow delegations will not be asking for U.S. and Soviet troops, but rather for support for a United Nations contingent to surround and guard Kariba. The response of the United States will be watched very closely if such a request is made. It will be interpreted as a symbol of the kind of commitment that the U.S. has to Africa.

While the Kariba power problem will be the major concern of such talks, the group will also attempt to work out plans for airlifting essential items into Zambia, such as coal, fuel oil, and industrial parts and food. With airlift support, Zambia would be able to break all relations with Rhodesia in a month. It would cause a good deal of strain on Zambia, but it would also hurt Rhodesia. Rhodesia exports more than $100 million worth of goods to Zambia yearly. Further if Zambia really stopped all relations with Rhodesia, the Rhodesian Wankie coal fields would have to stop production.

The Soviet Union has not been approached about support for an airlift but it is believed that they would be receptive to the idea. The United States gave Zambia assurance of airlift support in the case of Rhodesia breaking with Zambia. Whether or not the United States would supply the air support if Zambia breaks with Rhodesia is yet to be decided.

International Force for Kariba:

One plan being discussed in Britain is that of an international force operating under the name of the World Bank, to demilitarize the Dam. The World Bank was the largest single contributor in financing the dam, releasing a loan of L28.6 million. The total cost of the dam was L113 million. Commonwealth countries would supply troops for this "Bank" force. The plan is being discussed with the Bank. Mr. Cledwyn Hughes, Minister of State for Commonwealth Relations, and Mr. Maurice Foley, Parliamentary Secretary, Department of Economic Affairs, are going to Zambia today and will discuss the plan with Kaunda. The idea was initiated in an effort to break the deadlock between Britain and Zambia on troops, and because the dam is of concern to more than one nation.

Zambia's Vulnerability:

A reoccurring problem in all the plans against Rhodesia is the effect that these plans will have on Zambia. One somewhat uncontrolable factor is Zambia's white population. If the whites were suddenly to exit the copperbelt in large numbers, "the result would be as grave as the destruction of the Kariba power house and Zambia's economy would be crippled for years to come," according to Colin Legum.
The unhappy fact is that Zambia's whites are behind Smith. In Zambia the whites operate, and expect to be treated, as a privileged elite. They know that their technical skill is needed to run the mines, and until Africans can be trained to replace them, the 12,000 white miners are able to get what they ask for. Their average pay now approaches L2,500 a year compared to the L300 for African workers who do the unskilled jobs. The whites have not adopted Kaunda's hope for a truly multiracial society with equal opportunity for all.

SOURCES: New York Times, Dec. 15
Observer, Dec. 12

DECEMBER 15:

Breaks With Britain:

President Sekou Toure of Guinea announced severance of relations with Britain and the closing of the British Embassy at Conakry.

Senegal and Niger, also French speaking states, broke with Britain in keeping with an O.A.U. resolution to sever ties with Britain if she had failed to take concrete action to destroy Smith.

It was announced that Ethiopia would not break with Britain at this time.

Tanzania announced that she would go through with her break with Britain and that it would go into effect at midnight. By so doing, Tanzania becomes the first Commonwealth nation ever to break with Britain. The break however is not absolute. Tanzania plans to remain in the Commonwealth. She will probably maintain a small staff in London, and the British will keep a small staff in Tanzania at the Canadian Embassy. Reports from London indicate that aid to Tanzania will probably continue despite the break.

Wilson's Response to the Breaking of the African States:

Before leaving Britain for the United States, Prime Minister Wilson said that whatever the African states did about their threat to break with Britain, he was still against the use of force to settle the Rhodesian crisis.

Wilson Arrives in the United States:

Prime Minister Wilson arrived in the U.S. for a speech at the United Nations tomorrow and for talks with President Johnson. Among other things, an oil embargo on Rhodesia will be discussed. On arrival Wilson indicated that his U.N. address would not deal specifically with the oil embargo. He wants to talk to Johnson first and it is believed that his future action will be greatly influenced by the kind of backing the United States gives.

British Policy and Public Opinion:

As Wilson traveled to the U.S. a few African states broke relations with Britain over Rhodesia. In Britain itself, Wilson was
receiving conflicting advice and support. The Economist called the December 15th deadline, "arbitrary and silly," and encouraged Wilson to continue on the path that he has taken: strong economic measures but no military action.

Anthony Lewis of the N.Y. Times distinguished three basic positions regarding Rhodesia that are held in Britain. The first is a modified "white man's burden". That is, because Britain was responsible for bringing the white man to Rhodesia in the first place, she is also responsible for seeing that eventually the black man will rule and that the whites will not exploit the blacks. Secondly, there are those who identify with the whites of Rhodesia as "kith and kin" and who see white control "as an outpost of civilization in a primitive black sea."

Finally, there are those who see the Rhodesian crisis in the larger context of world politics. They realize that failure in Rhodesia could mean the destruction of the Commonwealth and the isolation of Britain as a little island off Europe's coast. Wilson probably falls in this camp.

Constructive measures are being urged on Wilson. The oil embargo appears crucial. Secondly, the Economist suggests that an international force, of perhaps Nigerians and Canadians surround Kariba and demilitarize it, thus making it safe for Zambia and Rhodesia.

One of the problems of all of these suggestions is that they take time to be planned and executed. To the African states and even more critically, to the Africans inside Rhodesia, it appears that Britain is doing nothing. The consensus in Rhodesia means that the Africans are almost totally cut off from the outside and are convinced that Britain is doing nothing. Colim Legum suggests some steps that would show Britain's good faith and help insure success. First, Wilson should make it very clear that force is needed and will be used to defeat Smith. However, there are two kinds of force, economic coercion and military coercion, and they are complementary not exclusive. Thus, Chapter VII of the U.N. Charter should be invoked, and action taken under this chapter. Economic measures will be taken first and tried until a given deadline, such as May 15. If by that time, sanctions have not defeated Smith, then military force would be employed.

The importance of invoking Chapter VII is clear. It would make sanctions mandatory. It would give nations like the United States a tool to use in forcing their companies to stop shipping oil to Rhodesia. The deadline is also a helpful suggestion. It would make Smith and his government decide whether or not they are really ready to face invasion and could force negotiations.

Troops for Zambia:

President Kaunda has asked for and been promised three battalions from his neighbors, Kenya, Uganda, and Tanzania.
Belgium and Luxembourg:

Belgium has prohibited all imports from Rhodesia and the export of arms, munitions, and petroleum products. This is not too significant because Belgium buys little from Rhodesia and because the ban does not affect the trade of foreign subsidiaries of Belgium companies trading from other countries. Thus crude oil could still be sold by the Angolan Company which is jointly owned by Petrofina and the Portuguese Government. Further, coal would be bought from Rhodesia for the Jadotville sulphuric acid plant of Union Minière du Haut Katanga.

Luxembourg is expected to ban imports from Rhodesia. This would be more meaningful as Luxembourg spends some L500,000 a year on Rhodesian tobacco.

SOURCES: N.Y. Times Dec. 16
Observer, Dec. 12
Economist, Dec. 11

DECEMBER 16:
Wilson at the United Nations:

Prime Minister Wilson spoke before the U.N. General Assembly, calling for full U.N. support for British action against Rhodesia and repeating the refusal to resort to military means to destroy Smith. Wilson said that Rhodesia was well armed and that to start any military action would be a grave mistake. He further said that due to the absence of a capable nationalist movement, it would be some time before majority rule could be a reality in Rhodesia.

Twenty-four African delegates walked out on Wilson right before he began to speak. Nigeria, Cuba and Cambodia boycotted the meeting altogether. The African states were not impressed with Wilson's speech. Britain constantly demands that she is responsible for Rhodesia and then does not take decisive action, according to the Africans. They raise the very important question of how sanctions can work with Rhodesia's neighbors being South Africa, Angola and Mozambique. The Africans place the responsibility for the armed white government and an unprepared African population at Britain's feet. They would also disagree with the state of preparedness of the Africans of Rhodesia.

African States Break with Britain:

Among the states that walked out on Wilson at the U.N. were those which have broken relations with Britain: Ghana, Tanzania, Guinea, Senegal, Niger, the United Arab Republic, Congo Republic (Brazzaville), and Mauritania. Algeria is expected to break relations.

Wilson and Johnson

As Prime Minister Wilson went to Washington to talk with Johnson the administration announced a policy backing further steps against
Rhodesian News Summary
Dec.16, cont.

Rhodesia. G. Mennen Williams, Assistant Secretary of State for Africa said in a speech to the State Department Post of the American Legion, that the United States was ready to support harsher measures. Williams stressed the importance of speed in carrying out new action, noting the "impatience" of the Africans. In private the U.S. has made it clear that it would welcome and support an oil embargo.

Smith and the Regent:
Prime Minister Ian Smith has dropped his request to have Clifford Dupont appointed Regent in Rhodesia. He did this, "out of deference" to the Queen. Dupont will however retain his title of "officier administering the government of Rhodesia". Smith appointed him to replace Sir Humphrey Bibbs, British appointed Governor.

After U.D.I.
Speculation from several sources indicate that there is wide difference of opinion regarding the outcome of sanctions in Rhodesia. The Economist envisions a government that Mr. Smith could perhaps be a part of, even after U.D.I. was defeated. More realistic is the call for a national convention with the entire population represented and rapid steps being taken for majority rule. Lack of clarity about what is being worked for does not help the situation.

Opposition:
There are vague rumors that a party opposed to Mr. Smith is in the process of being formed. However, all plans for such action are very indefinite. The emergency laws and restrictions make it very difficult to speak because of penalties for anti-government statements. Further, most people agree that the time for such action has not arrived.

SOURCES: N.Y. Times, Dec. 17
Economist, Dec. 11
New Statesman, Dec. 10

DECEMBER 17:
African Response to U.D.I.:
Mr. Robert Gardiner, speaking at the 1965 BBC Reith Lecture pointed out the basis of African fear about U.D.I.: "Reactions such as the decision of the O.A.U. to break diplomatic relations with Britain are inspired by memories of the transfer of power to a white minority in South Africa and the subsequent years of discrimination and humiliation. These feelings have to be taken into account. They may easily explode into one of several kinds of violence; and that violence may well, as President Kaunda of Zambia has pointed out, engulf all of Africa and affect the west of the world."
Britain Imposes an Embargo on Oil for Rhodesia:

Immediately following Prime Minister Wilson's talks with President Johnson, Britain placed an oil embargo on Rhodesia. A special "order in council" signed by the Queen prohibits the importation of oil and oil products to Rhodesia and prohibits supplying or carrying oil or oil products to Rhodesia. The penalty under British law for breaking the embargo is 6 months in jail, a fine of £500 ($1,400) or both.

A Norwegian oil tanker, the 20,000 ton Staberg was ordered not to take its oil to Beira. The ship was chartered by the Shell Oil Co.

The oil embargo was placed on Rhodesia in part to keep the U.N. from invoking Chapter VII of the Charter in its action against Rhodesia. The U.S. and Britain were opposed to this action because such action would be a concession of national sovereignty to Rhodesia.

Conservative Reaction:

The oil embargo will further strain Wilson's relations with the Conservatives. Earlier this week 100 Tory members of Parliament introduced a motion in the House of Commons deploring Wilson's statement in which Wilson demanded "unconditional surrender" from Smith. Conservative leader Edward Heath, avoided any endorsement of the oil embargo.

International Support for the Oil Embargo:

Wilson is very hopeful that there will be international support for the oil embargo. Such support is crucial if it is to be effective. Major distributors like the Netherlands, France and Italy will need to abide by the restrictions. Promise of U.S. help is already assured. The State Department has advised all American oil companies to comply with the British order. Legally the U.S. Government cannot force U.S. companies to honor the embargo. However, according to the N.Y. Times, the major U.S. companies involved will comply with the embargo. Such companies could be tried in British courts if they broke the embargo.

The real questions are Portugal and South Africa. Either nation could greatly assist Rhodesia and do much to destroy the effectiveness of an embargo. However, neither nation may be willing to counter a joint U.S.-British action and risk economic reprisals.

Zambia and the Oil Embargo

Zambia will be cut off from oil just as will Rhodesia, because her oil comes through Rhodesia. The Royal Air Force Command in Aden is organizing an airlift of oil to Zambia. Copper will be flown out of Zambia. Zambia's copper is greatly needed and is one of the major reasons for the airlift. The U.S. Air Force will help with the airlift. Rhodesia may take action against Zambia because of the oil embargo. Thus, Britain had to be assured of U.S. support for Zambia before declaring the boycott.
Rhodesia and Oil:

Rhodesia consumes about 280,000 tons of oil a year. This is the source of only about 27% of her power. The rest comes from coal, 63%, and hydroelectric power, 10%. The oil comes mainly from Iran and the Persian Gulf sheikdom of Abu Dhabi. It is carried by tanker to Beira, Mozambique and then goes 180 miles by pipeline to Umtali, Rhodesia where it is refined. The refinery is owned by Shell and British Petroleum mainly, but also by U.S. Companies Mobil, Caltex, and Aminoil, the French Co. Total, and the Kuwait National Petroleum Co.

Back in October, Rhodesia only had about six weeks reserve of oil. However, by the time the embargo was finally placed on her, she has had time to stock reserves. With careful rationing Rhodesia's oil will probably last 6 months or so.

One effect of the oil embargo however will be to raise the price of petroleum products and thus further strain the precarious hard-currency position of Smith's Government.

Most white Rhodesians are accustomed to drive by car a great deal. This is where the embargo will be felt, although car pools can help out here.

Some observers feel that by the end of six months, Rhodesia will have had plenty of time to arrange for the importation of oil from South Africa and Mozambique. South Africa is believed to have oil reserves for 6 or 7 months. This would be enough to keep Rhodesia going for several years if Verwoerd decided to make a real effort to save Smith, which is unlikely.

One problem of getting oil from South Africa is the added transportation costs. The only direct rail route goes through Bechuanaland and thus could not be used. The most likely route would be to ship the oil to Lourenco Marques and then send it by train to Pretoria. The last lap would have to be done on trucks.

Switzerland Acts Against Rhodesia:

Switzerland has frozen Rhodesia's hard-currency assets in the Swiss National Bank. This amounts to supporting Britain's takeover of the Rhodesian Reserve Bank. Switzerland also placed an embargo on arms shipments and subjected all trade to licensing. By means of import and export licenses, trade between Rhodesia and Switzerland could be kept close to normal. Last year, Swiss imports from Rhodesia amounted to $2,440,000 and exports to Rhodesia were $1,500,000.

South Africa and Rhodesian Currency:

Besides Switzerland and Britain, South Africa is the only country with sizable Rhodesian assets. South Africa is still accepting the Rhodesian pound. However, there has been no clarification by the S.A. Reserve Bank regarding the status of the Rhodesian assets. One possible action is that South Africa could freeze the assets to satisfy the Bank of England and then make a confidential hard-currency
loan to Rhodesia, using the frozen assets as collateral.

SOURCES: London Times, Dec. 13
N.Y. Times, Dec. 18

DECEMBER 18:
Rhodesian Postage Stamps:
Britain has refused to honor Rhodesian Independence Stamps. Letters mailed to Britain bearing the new stamps are marked postage due.

Rhodesian Reaction to the Oil Embargo:
Rhodesia stopped all oil shipments to Zambia and called for responsible use of oil at home but did not introduce rationing as an immediate reaction to the oil embargo. Minister of Commerce and Industry George W. Rudland called on all distributors to work to prevent hoarding, and called on Rhodesian citizens to use oil and oil products wisely. However, the new sanction was accepted with little or no alarm, and no attempts at hoarding were reported. Rudland assured the people that the embargo would not prevent planned Christmas trips. He blamed Wilson, saying the embargo was deplorable especially at this Christmas season, "when people throughout the world expect kindness and goodwill from others."

Prime Minister Smith seemed unalarmed. He spoke on television reporting on the effects of sanctions and never once mentioned oil.

Officials in the oil industry were a little less nonchalant. They said that the existing stocks could last only 2 or 3 months and that rationing would be unavoidable. The five companies with Rhodesian subsidiaries, in order of their strength in the market, are Shell (British Mobil (U.S.), British Petroleum, Caltex, (U.S.), and Total (French). These five plus the American Independent Oil Co., and the Kuwait National Petroleum Co., hold shares in the consortium that operates the refinery at Umtali.

Local managers indicated that they felt that they would be able to continue operating. The embargo was just against selling oil to Rhodesia. They buy their oil from the refinery which buys it from suppliers. "The fact that they were owners of the refineries, they said, did not put them in violation of the embargo." One official was quoted as saying, "It is no business of ours where the oil at Umtali comes from."

The managers did say that their home offices in London, New York, and Paris might be forced to withdraw from the Rhodesian market. However, if that were to happen "the business side of their enterprises could be carried on by their Rhodesian and South African personnel, who largely back the Government." As might be expected, the oil company managers are far more concerned about profit that they are about Rhodesia's people.
Response to Switzerland's Freezing of Assets:

The Rhodesian Government responded to the Smiss move by saying that the action was really put into effect two weeks ago and that "new arrangements had been introduced for making and receiving international payments". In his television report Smith said Rhodesia had really gained by the action. This is because, according to Smith, Rhodesia is no longer responsible for serving its foreign debts and can use the money for special development programs. He announced that $6.5 million would be spent on the development of agriculture, mining, African tribal areas and African education.

Zambia and the Oil Embargo:

Rhodesia has blocked all oil for Zambia. All of Zambia's oil has come from the Central African Petroleum Refineries Ltd. at Umtali. The oil was shipped to Zambia by train, a 750 mile trip through Bulawayo, to Livingston on the northern side of the Zambezi River.

Rhodesia's act was anticipated however. Two Royal Air Force Britannia transport planes arrive in Zambia tomorrow, beginning what will become a massive airlift operation. Britain will play the major role in the airlift, but the United States will also supply planes. When the operation is in full swing, at least 12 planes a day will shuttle between Zambia and Dar es Salaam, Tanzania's seaport capital. The shuttle may be expanded to supply oil to the Union-minieres Kipanga copper mines in the Congo which also rely on Rhodesia for oil. Chartered civilian planes will be used in the main.

Not only will oil be shipped in, but copper will be shipped out. Alternate routes for all the products Zambia receives from Rhodesia by rail will be sought so that Zambia, Rhodesia's largest customer, can make a complete break with Rhodesia.

Malawi's Vulnerability:

Like Zambia, Malawi is really caught by the Rhodesian crisis. Malawi was the first of the three territories that made up the Federation of Rhodesia and Nyasaland, to gain independence. However, she is still in a very insecure position economically. More Malawians work for wages in Rhodesia than in Malawi itself. Some 70,000 wage earners work in Rhodesia and counting their dependents, there must be some 200,000 of them in Rhodesia. Malawi has a population of around four million. If Smith were suddenly to send all the Malawians in Rhodesia home, the results would be disastrous for Malawi.

Britain presently underwrites 40% of the budget of Malawi and supplies them with $28 million a year in aid. London expects this figure to decrease over the years.

When Smith demanded that exporters in Rhodesia demand a hard-currency other than sterling from Zambia and Malawi, Malawi was helpless. Zambia made the adjustment, but Smith finally had to accept sterling from Malawi to keep trade going.
Rhodesian News Summary
Dec. 18, Cont.

Malawi's Prime Minister, Hastings Kamuzu Banda has tried to keep Malawi out of the crisis and has avoided commenting on Rhodesia. But, Malawi is involved whether she likes it or not.

Tanzania's Break with Britain:
Tanzania's break with Britain was a very difficult move for President Nyerere to make. He has set no time limit for Britain's withdrawal and has greatly encouraged the more than 1,000 Englishmen working in Tanzania to stay.

The decision probably will cost Tanzania a $21 million interest free loan that would have been used for hospitals, roads, a dam, and water works, etc.

Nyerere felt compelled to make the break because of Britain's failure to take decisive action against Smith.

The Organization of African Unity:
The United Arab Republic called for a meeting by December 21st of the foreign ministers or heads of state of the O.A.U. to discuss action regarding Rhodesia. The proposal is said to have received only three favorable replies.

The Rhodesian crisis has illustrated the disagreement on tactics between, "radicals" and "moderates" and has raised questions in some circles about the future effectiveness of the O.A.U.

Wilson's Handling of Rhodesia:
The N.Y. Times reported on Wilson's handling of Rhodesia since U.D.I. While not underestimating the problem of the Conservatives to Mr. Wilson, the Times points out two mistakes that Wilson has made. First, Wilson was wrong to give away the possible threat of military action before U.D.I. If a taken British force had been sent to Rhodesia last summer, it could help immensely now. Secondly, all of the sanctions against Rhodesia should have been imposed immediately after U.D.I. The delay has merely given Rhodesia time to prepare herself and has made the African states question Wilson's intentions.