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Copper Empire

Mining and the Colonial State in Northern Rhodesia, c.1930–1964

L.J. Butler
# Contents

**Acknowledgements** vii

**Abbreviations** viii

**Maps** xi

Introduction 1

Chapter 1 The Colonial State and the Development of the Copperbelt 14

Chapter 2 Wartime Mobilisation 60

Chapter 3 The Post-War Commodity Boom (1946–1953) 106

Chapter 4 The Debate on Controlling the Mining Industry (1939–1952) 146

Chapter 5 The Copperbelt and the Central African Federation (1949–1957) 194

Chapter 6 The Demise of the Federation 233

Chapter 7 The Mining Industry and Zambian Independence 255

Postscript Northern Rhodesian Copper Mining: The Prospects at Independence 293

Conclusion 300

Notes 307

**Bibliography** 395

**Index** 413
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<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tbody>
<tr>
<td>AAC</td>
<td>Anglo American Corporation</td>
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<tr>
<td>ACJ</td>
<td>Arthur Creech Jones (Papers)</td>
</tr>
<tr>
<td>ACID</td>
<td>Advisory Committee on Industrial Development</td>
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<tr>
<td>AEI</td>
<td>Associated Electrical Industries</td>
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<td>AHC</td>
<td>American Heritage Center, University of Wyoming</td>
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<td>AMAX</td>
<td>American Metal Climax</td>
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<td>AMC</td>
<td>American Metal Company</td>
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<td>AMU</td>
<td>African Mineworkers Union</td>
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<td>ANC</td>
<td>African National Congress</td>
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<td>ASRC</td>
<td>American Smelting and Refining Company</td>
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<tr>
<td>BDEE</td>
<td>British Documents on the End of Empire (Project)</td>
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<td>BLCAS</td>
<td>Bodleian Library of Commonwealth and African Studies (formerly Rhodes House Library)</td>
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<td>BMC</td>
<td>British Metals Corporation</td>
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<tr>
<td>BoE</td>
<td>Bank of England</td>
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<td>BOMA</td>
<td>British Overseas Mining Association</td>
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<td>BRMM</td>
<td>British Raw Materials Mission (Washington)</td>
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<td>BSAC</td>
<td>British South Africa Company (‘Chartered’)</td>
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<tr>
<td>CAB</td>
<td>Cabinet (Papers)</td>
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<tr>
<td>CAF</td>
<td>Central African Federation (Federation of Rhodesia and Nyasaland)</td>
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<tr>
<td>CAO</td>
<td>Central African Office</td>
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<tr>
<td>CAST</td>
<td>Consolidated African Selection Trust Ltd</td>
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<tr>
<td>CCD</td>
<td>(Cabinet) Committee on Colonial Development</td>
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<tr>
<td>CD&amp;W</td>
<td>Colonial Development and Welfare</td>
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<tr>
<td>CDC</td>
<td>Colonial (later Commonwealth) Development Corporation</td>
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<td>CDAC</td>
<td>Colonial Development Advisory Committee</td>
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<td>CDF</td>
<td>Colonial Development Fund</td>
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<td>CDWP</td>
<td>Colonial Development Working Party</td>
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<td>CEAC</td>
<td>Colonial Economic Advisory Committee</td>
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<tr>
<td>CEPS</td>
<td>Central Economic Planning Staff</td>
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<tr>
<td>CIC</td>
<td>Capital Issues Committee</td>
</tr>
<tr>
<td>CID</td>
<td>Committee of Imperial Defence</td>
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<td>CLAC</td>
<td>Colonial Labour Advisory Committee</td>
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<td>CO</td>
<td>Colonial Office</td>
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Abbreviations

CPPC Colonial Primary Produce Committee
CRO Commonwealth Relations Office
DO Dominions Office
ECA Economic Co-operation Administration
ECGD Export Credit Guarantee Department
EEC European Economic Community
EPT Excess Profits Tax
FBI Federation of British Industries
FCB Fabian Colonial Bureau
FO Foreign Office
HEP Hydroelectric power
IBRD International Bank for Reconstruction and Development
IDAC Import Duties Advisory Committee
JECAB Joint East and Central African Board
ILO International Labour Organisation
IMC International Materials Conference
LME London Metal Exchange
MoS Ministry of Supply
MWU Mine Workers’ Union
NA The National Archives (formerly the Public Record Office), Kew
NATO North Atlantic Treaty Organisation
NAC Nyasaland African Congress
NFM Non-Ferrous Metals
NORCOM Northern Rhodesian Chamber of Mines
OAG Officer Administering the Government (of…)
OECD Organisation for Economic Co-operation and Development
OTC Overseas Trading Corporation
PREM Prime Minister’s Office
PSNR Permanent Sovereignty of Natural Resources
PSO Principal Supply Officers (Committee)
RAA Rhodesian Anglo American
RACM Roan Antelope Copper Mines Ltd
RLPP Papers of Sir Ronald L. Prain
RST Rhodesian Selection Trust
T Treasury (Papers)
TUC Trades Union Congress
UAC United Africa Company
UCAA United Central Africa Association
UFP United Federal Party
<table>
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>UMHK</td>
<td>Union Minière du Haut-Katanga</td>
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<tr>
<td>URP</td>
<td>United Rhodesia Party</td>
</tr>
<tr>
<td>UNIP</td>
<td>United National Independence Party</td>
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<tr>
<td>WFTU</td>
<td>World Federation of Trade Unions</td>
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<tr>
<td>ZANC</td>
<td>Zambia African National Congress</td>
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Northern Rhodesia and its neighbours
The Copperbelt
In discussions on the economic changes wrought in Africa under colonial rule, particular interest has attached to the growth of mining, described by Frankel as the ‘touchstone’ of development in the continent.\(^1\) It has been seen as one of a group of industries which, ‘for good or ill’, have exercised a powerful influence over Africa’s economic destiny.\(^2\) The single most important field for external investment in colonial Africa, mining represents arguably one of the most dramatic examples of the impact of large-scale expatriate enterprise under colonial conditions. Of the countries which experienced this impact, Northern Rhodesia (Zambia) offers a particularly striking example. Within a remarkably short period – little more than a decade – Northern Rhodesia emerged as one of the world’s leading suppliers of copper, a material of growing importance to the industrialised world as the twentieth century progressed. The purpose of this book is to explore the development of the copper mining industry in Northern Rhodesia, from its early stages in the late 1920s until the independence of Zambia in 1964. Its focus is the response of the British colonial state, and of the imperial state to which it was answerable, to this development. It therefore aims to provide a case study of business-government relations under colonial rule in a dynamic and volatile economic sector.\(^3\)

The development of copper mining in Northern Rhodesia has traditionally been discussed in terms of grand narratives of ‘modernisation’, either as the heroic achievement of progressive capitalism, which could usefully be contrasted with less savoury manifestations of growth south of the Zambezi under apartheid, or as a classic account of African ‘proletarianisation’.\(^4\) The ‘positive’ view of mining development in Africa has seen the sector promoting the general welfare of African
populations, for example through the health care which mining companies might provide for their workers and, later, their dependents. Moreover, mining could be seen as ‘subsidising’ development in other fields, either directly, or indirectly through its contribution to government revenue. According to this view, possibly the most important contribution the industry made to general development was through the technical skills it transmitted to Africans, expertise which formed the foundations of further, subsequent development. Similarly, because it introduced modern systems of production, mining came to be seen by many economists, rather like plantation agriculture, as a ‘model’ form of expatriate enterprise in Africa. Moreover, because it could, to a great extent, finance its own infrastructural needs, it appeared to ease the burdens on government, a factor of great importance in the case of Northern Rhodesia, whose colonial government seemed perennially short of funds, especially during the inter-war years, when the Copperbelt was developing.

Less positively, Northern Rhodesia appears to offer a classic example of an enclave of modernisation within a wider pattern of continuing agrarian subsistence, with mining contributing little to the territory’s broader economic development. Since the industry relied largely on plant and equipment supplied from Britain and other industrialised economies, its ‘backward linkages’ were chiefly external, and little stimulation was given to local industrialisation. Northern Rhodesia could therefore be seen to justify the ‘dual economy’ model, fashionable in development economics as it blossomed in the 1950s, associated especially with the work of W. Arthur Lewis, for whom the key to modernisation was the transfer of human capital from the ‘traditional’ sector to the ‘capitalist’ one. According to this model, a capital-intensive, externally-controlled sector, geared to export production, coexisted alongside a virtually unchanging ‘traditional’ or African sector, characterised by low productivity. Dissatisfaction with this model led to it being challenged by the ‘settler-mining’ model, stressing the role of government in assisting the penetration of Africa by the expatriate sector, at the expense of indigenous economic interests, above all through the mobilisation of cheap labour.

Mining is an activity notoriously imbued with risk, not only human but financial. It has aptly been described as ‘the one-armed bandit of economic development: it is easy to pull the handle of the fruit-machine, but difficult to anticipate the consequences’. Even the discovery of commercially-viable deposits of ore is largely a matter of chance. It was partly to spread the consequences of risk, and to
absorb more easily the increasing costs of development, that mining companies operating in colonial Africa were attracted to mergers in order to create large firms. This development has been seen as a microcosm of the wider trend towards concentration seen in the United States and Britain between the wars, bringing with it the advantages of size and greater access to capital, in addition to the prized risk-spreading function. The same process can be seen in Northern Rhodesia, where out of a number of small, pioneering companies, there emerged two large groups which between them came to control the entire Copperbelt.

Hopkins has noted the temptation to interpret the evolution of the large firm in Weberian terms, from an early stage of ‘charismatic leadership’ to increasingly ‘bureaucratic’ organisations, a trend which will have implications for the strategies which businesses follow. In colonial Africa, this can be seen approximately by 1930 in the transition from the era of ‘founder entrepreneurs’ to the emergence of a new managerial elite, skilled in running increasingly complex firms, although the former might remain on the sidelines, exercising a watching brief over their younger protégés. During the turbulent inter-war period, especially during the Depression, a logical strategy for business managers to follow was arguably one of caution, ‘safety first’, the pursuit of profits adequate to placate shareholders, with innovation, when introduced, having an essentially conservative function. This process of ‘commercial involution’ could be seen as resembling the retrenchment and conservatism of the colonial state during the same period. Yet the case of Northern Rhodesia, as will be suggested, seems to contradict this broad assumption, in that it was precisely as the Depression took hold that the extraordinarily courageous decision was taken to proceed with the development of the Copperbelt.

As an industry producing exclusively for export, copper mining provides a case study of an activity dependent on external demand, and therefore on circumstances largely beyond the industry’s control. This is reflected clearly in the cyclical nature of the Copperbelt’s fortunes, and particularly in the advantages it gained from heightened demand during rearmament in the 1930s, the Second World War (itself a major stimulant to production), the Korean War and, more generally, the Cold War. Significantly, it was soon after the conclusion of the Vietnam War that then independent Zambia faced a serious downturn in demand. With remarkable speed, the Copperbelt came to be of great significance to the metropolitan economy. It has been argued that, because of its intimate relationship with Britain’s growing electrical
and motor industries, the Copperbelt became more vital to metropolitan industry than perhaps any other part of Tropical Africa. Not surprisingly, the region was quickly identified as being of key strategic significance to Britain, with the imperial government soon appreciating the role it could play in supplying Britain’s defence industries in times of emergency. Equally unsurprising is the fact that the question of control of the mining industry’s development became a sensitive one. Coinciding with a period when metropolitan capacity for overseas investment was increasingly stretched, the Copperbelt’s expansion would rely to a great extent on American and South African capital. The former, particularly, would challenge an entrenched British preference to deter US economic penetration of the British Empire, and call into question how far this precious new mineral resource could meaningfully be described as being in ‘British’ hands. The importance to Britain of having its own reliable source of copper, amply demonstrated during the Second World War, would take on a new significance in the difficult period of metropolitan reconstruction after 1945, when the ability to buy copper without expending scarce dollars was an obvious asset. Such considerations were only enhanced by the intensification of the Cold War in the later 1940s, with its implications for increased defence spending by a still recovering Britain, and Washington’s growing interest in Africa’s potential contribution to the strategic stock-piling of commodities vital to the West.

In the African context, mining has generally depended heavily on a supply of cheap indigenous labour, with continued development of mining creating a growing demand for this labour. Cheap labour has conventionally been considered necessary to overcome the disadvantages mining companies faced in their African operations, both in the geographically inconvenient location of their interests, and in the high costs involved in their exploitation. Whether access to abundant labour was a determining factor in expatriate firms’ decisions to develop the Copperbelt is debateable: what is unarguable is that labour was among the issues which ensured for the Copperbelt enduring interest among commentators during the colonial period. As elsewhere in southern Africa, Northern Rhodesian patterns of employment became characterised by migratory labour, a relatively inefficient system, in that it involved recurring costs for the mining industry, in the form of recruitment and transportation, and for providing a wide range of basic services such as housing and food. Compensating for this initial outlay, however, were the wages paid to Africans, low when compared with those demanded by their European colleagues.
Moreover, when these African workers fell ill, retired or became unemployed, it was assumed that responsibility for their welfare could be consigned to the rural areas from which they had migrated. Over time, a growing proportion of migrant workers chose to spend longer periods residing on the Copperbelt, giving rise to the notion that they had become a ‘stabilised’, even fully ‘proletarianised’, workforce, itself heralded as an indicator of ‘modernisation’. Recent research has increasingly challenged this convenient classification, stressing the dangers of exaggerating the resulting disruption to mineworkers’ ties with their rural homelands. Nevertheless, longer periods of settled residence were attractive to the mining industry, since the costs involved could be offset by the greater return companies received on their investment in training, a highly attractive prospect when rising costs created a strong incentive to reduce wage bills, and, if possible, to replace relatively expensive European workers with ‘stabilised’ Africans.

Matching the question of labour practices in terms of the interest it generated, and criticism it aroused, was the flow of wealth produced by mining out of Northern Rhodesia, for example in the form of taxes claimed by the British Exchequer, royalties paid to the British South Africa Company, or profits paid to shareholders in Britain, South Africa, the United States and elsewhere. A recurring complaint, heard throughout the colonial period, was that an unacceptably high proportion of the territory’s mineral wealth had been extracted, depriving Northern Rhodesia of precious funds with which it might have pursued development in its own interests. For critics of the financial structures found in British Africa, this was ‘a particularly striking example of the “leakage” of wealth from an African colony’. Given the importance of copper mining to Northern Rhodesia, questions arise concerning the role of the state in the industry’s development. Associated with this problem is the more general allegation that the state, under colonial rule, was an ‘agent’ of expatriate business. Particularly during the 1960s and 1970s, theories of ‘neo-colonialism’ stressed the close association between Western governments and business interests operating in the developing countries. According to this perspective, ‘decolonisation’ itself was an illusion, a political convenience masking the continuing influence wielded by the West over former colonies, maintaining structures of power which ensured the ‘under-development’ of these countries to the advantage of the West. Adroit transfers of power to collaborating, ‘moderate’ colonial elites were an effective means, it was argued, of pre-empting fundamental
economic and social change in newly-independent countries, nullifying the radical rhetoric of many anti-colonial movements. This once fashionable thesis has been eroded by more than a decade of empirical research whose findings not only question the ability of former colonial powers to preserve their economic stake in former colonies, but suggest strongly that the colonial state can no longer be dismissed as an ‘epiphenomenon’ of metropolitan capital. Nevertheless, interest remains in the more subtle possibility, that businessmen, politicians and senior civil servants shared a political ideology of Empire which largely informed their behaviour towards the Empire. The argument that a degree of complicity existed between the British government and expatriate business received fresh impetus from the thesis of ‘gentlemanly capitalism’ developed by Cain and Hopkins. This postulated a ‘natural’ convergence of thinking between the ‘official mind’ and business interests, based on the fact that a common social background, education and outlook enabled each party to share a view of what was in the national, or ‘imperial’ interest. As a homogeneous ‘gentlemanly elite’, businessmen (especially financiers), along with senior civil servants and politicians, pursued common, agreed objectives, together shaping the contours of imperial and colonial policy. Whether this interesting model is appropriate to the case of copper mining in Northern Rhodesia will depend on the extent to which the mining firms can be shown to have been in broad agreement both with the colonial government in Lusaka, and with the imperial government in London. Moreover, a satisfactory application of the thesis will depend, too, on the existence of a single ‘imperial’ view, on a convergence in thinking between the imperial government and the colonial government, and perhaps, also, on a functioning consensus within the mining industry itself. These are among the questions which this book attempts to investigate.

A core theme, then, will be the triangular relationship between the imperial state, the colonial state and the mining industry. It has been suggested that a ‘mutuality of interests’ existed between the latter two, and that it was therefore desirable for them to foster a cordial relationship. It is arguable, however, that the colonial state needed the mining industry, particularly because of the latter’s revenue-producing significance, more than the mining industry needed the state. The mining industry world-wide has tended historically to view government with some suspicion, and has often resisted state interference. In the case of Northern Rhodesia, it could further be suggested that the industry was critical of the state’s failure to provide adequate...
assistance, not only to help develop the Copperbelt (by providing the infrastructure it needed), but also to resolve longstanding problems of labour policy, which might properly have been considered to be the responsibility of government. In this sense, contrasts might be drawn with other African contexts, particularly South Africa, where government policies were instrumental in shaping the development of mining.\textsuperscript{32} For its part, the state may have resented the disruption and dislocations created in Northern Rhodesia by the development of mining, along with the burden of additional administrative responsibilities which these imposed on a threadbare apparatus of government.\textsuperscript{33} Hopkins has noted parallels between the developmental phases of the colonial state and business. Borrowing from Ehrlich’s celebrated description, this would regard the inter-war period as one characterised by ‘caretaking’, to be followed by a more vigorous phase of ‘building’ after the Second World War.\textsuperscript{34} Yet despite their similar recent evolution, business and the colonial state were prone to mutual incomprehension: it might be argued that, far from forming a homogeneous elite, the two occupied such disparate intellectual, if not social, realms, particularly in the period under consideration, that effective collaboration between them might be extremely difficult to secure. Yet even this apparently bland statement risks over-simplifying what may be a more complex and nuanced reality. While it is tempting to employ blanket expressions such as ‘business’ and ‘government’ (or the ‘state’), it will be one of this book’s aims to determine how far each of these collectivities displayed a meaningful cohesion and set of objectives.

As the pace of development increased after 1945, so too, perhaps, did the scope for friction between business and the state. Berman and Lonsdale depict the colonial state as being embroiled in an ongoing dialectic between accumulation and legitimation, ‘oscillating’, as Cooper puts it, between coercive intervention to further the interests of business, and efforts to restrain the impact of capital, informed by a spirit of paternalism.\textsuperscript{35} Nevertheless, according to Cooper, despite friction between business and the state, the latter could not assert its autonomy from the former, raising the question whether, from the 1940s onwards, the state could take on a ‘detached, abstracted role’, distinct from specific forms of capital, while still remaining a \textit{colonial} state.\textsuperscript{36} During the inter-war period, the colonial state had ‘made a virtue out of its own inability to transform African society’, yet from the Second World War onwards, administrators would increasingly emphasise their role as agents of modernisation, in part to reinforce
and renew their claims to legitimacy, as seen in a new commitment to colonial ‘development’, ostensibly designed to prepare colonial territories for eventual self-government. Potential for new tensions therefore emerged after 1945, between a dirigiste colonial state, keen to pursue new developmental objectives, and business, fearful that it would be obliged to take on the burden of increased taxation to help realise the goals of development. The new development philosophy, so important a component of the new-style reformist colonialism of the post-war years, not only brought with it the possibility of more interventionist economic policies on the part of the colonial state, but could involve complementary social policies, potentially at odds with the interests of business. Among these was the encouragement of colonial trade unions, intended in part to distract indigenous workers from association under ‘radical’ leadership, but sometimes a cause of bewilderment even to enlightened business leaders, who attributed growing colonial labour militancy to this kind of official initiative.

Turning to relations between business and the imperial government, where key decisions on colonial policy were, after all, taken, it has long been acknowledged that tensions are evident between the Colonial Office (the junction of relationships between the imperial state and the individual colonial governments) and expatriate firms, reflecting a fundamentally unsympathetic attitude among civil servants towards business, derived from snobbery, distaste for the world of commerce, and a paternalistic ethos of ‘romantic anti-capitalism’. Oliver Lyttelton, Colonial Secretary in Churchill’s peacetime administration, was surely not alone in bemoaning the ignorance of business realities which he found among civil servants. Scarcely less significant is the possibility that important divergences in aim and policy existed between the Colonial Office and the colonial governments. If this were the case, as White has suggested in the case of Malaya, major implications are raised both for the older ‘neo-colonial’ model, and for the more recent thesis of ‘gentlemanly capitalism’, since each is grounded, ultimately, on the assumption that the imperial and colonial governments were homogeneous.

In the sphere of colonial economic policy, three broad issues are of particular relevance to the copper mining industry. An enduring worry for the industry was the problem of over-production, with all its consequences for market instability. In this respect, copper was not unlike a number of key commodities which saw their fortunes fluctuate in the decades after the First World War. The possibility of regulating production, in order to bolster prices, was much-discussed, particularly in
the inter-war years. Yet government-sponsored attempts at commodity regulation produced disappointing results. One of the best known, the Stevenson plan to restrict rubber production, had never embraced the greater proportion of world output, thereby violating one of Jacob Viner’s key conditions for the successful operation of a primary commodity cartel.43 In view of the uninspiring experience of earlier government initiatives, the copper industry was thrown back largely on its own resources in its fitful experiments in restricted output, although it might plausibly be argued that it was precisely to deter state intervention that the industry was relatively quick to produce its own initiatives, however unsatisfactory these may ultimately have been.

Perhaps the most important example of state intervention in the affairs of colonial business was the introduction of schemes for the monopoly purchase by government of a range of commodities. Introduced as a direct result of the outbreak of war in 1939, and often extended into the early post-war period, no other government initiative brought business into such intimate, regular contact with the apparatus of the state. ‘Bulk purchasing’, or ‘state trading’, could be seen as a clear instance of the interests of business being subordinated, admittedly in exceptional circumstances, to those of the wider imperial system. The prospect of continuing compulsory purchase by the state, at fixed prices, understandably evoked resistance from some sections of colonial business, notably the cocoa trade in West Africa and the Malayan rubber industry.44 Whether the same response was true of the Northern Rhodesian copper mining industry would depend upon factors such as the terms of the bulk-buying agreements, the prices paid by the British government, and the degree of consultation between government and the industry.

Possibly the most worrying prospect for colonial business, however, was the threat of nationalisation. Even during the colonial period, under Attlee’s post-war Labour government, this was an outcome which business could not afford to ignore. Given the Labour Party’s traditional interest in mining issues, metropolitan and colonial, and its stated objectives, mining companies such as those operating in Northern Rhodesia felt the need to be ever-vigilant against further state encroachment. Yet within the territory itself, public ownership of mining had been one of the key demands of more radical settler leaders even before the Second World War, and after the war the topic continued to form a popular theme in settler political rhetoric. But it was with the approach of decolonisation, and the uncertainties attaching to this, that the mining industry was forced to confront the
possibility that a post-independence regime might be tempted to nationalise, with or without compensation. Given the left-leaning character of many independence movements’ programmes, and the alarming precedents of the nationalisation of Iranian oil in 1951 and of the Suez Canal Company in 1956, such an outcome could not be dismissed out of hand, and added to the mood of apprehension discernible in much of the business community as independence dates drew near.45

From an imperial perspective, decolonisation was facilitated by the declining relative importance of the colonial economies to the metropole. By the late 1950s, on the eve of the ‘wind of change’ and the acceleration of Britain’s withdrawal from Africa, the indications were increasingly evident that Britain’s future economic interests lay in closer trading and investment ties with the rest of the industrialised world. British investment in the Sterling Area appeared to be a diversion of funds which might better be employed in the modernisation of metropolitan industries.46 Nevertheless, in the late colonial period, Northern Rhodesia’s copper wealth would become of arguably even greater political significance, in that it underwrote Britain’s ambitious post-war plans for an association of Central African territories, intended to proclaim the virtues of multiracial ‘partnership’, if under carefully-engineered, and indefinite, white settler tutelage. Thus, control of the Copperbelt would become an important issue in the tortuous story of the brief life, and agonising disintegration, of the Federation of Rhodesia and Nyasaland. In the case of the decolonisation of the Federation, the copper mining industry would find itself caught between two competing nationalisms – white settler and Black African – and therefore faced a political situation of unusual complexity, successful navigation through which arguably required considerable skill and ingenuity.

The idea that business was a passive ‘observer’ of decolonisation has long been exploded. Numerous recent studies, rich in empirical evidence, show that expatriate firms were capable not only of reacting to political change, by devising strategies designed to cushion them from the consequences of colonial independence, but also that they may have attempted to make proactive interventions designed to help shape the outcome of independence.47 Their success might depend, among other things, on the extent to which businesses were able to demonstrate a clear community of interest between themselves and their host country. Studies of the business dimension to decolonisation have illustrated a strikingly diverse range of responses within the busi-
ness community in Africa and elsewhere. On balance, the moral appears to be that, in the long-term, expatriate firms were often relatively ‘weak’ political actors, failing to defend their interests against determined post-colonial regimes. On this reading, the economic nationalism enshrined in many independence movements would seem to have triumphed, at least in the initial phase of independence.48

The speed with which firms were able to adapt to changing political conditions could depend, it will be suggested here, on the outlook of individual business leaders. In West Africa, for example, significant differences have been found in the responses to political developments exhibited by key figures in the mining industry, with the directorate of the Consolidated African Selection Trust largely rejecting the resistance to reforms in the Gold Coast espoused by Sir Edward Spears of the Ashanti Goldfields Corporation.49 In the case of Northern Rhodesian copper, the attitudes and behaviour of the heads of each of the two mining groups, Sir Ronald Prain of the Rhodesian Selection Trust, and Harry Oppenheimer of the Anglo American Corporation, will be of particular importance. Study of their role during the period of decolonisation will help to clarify the extent to which the mining industry approached change collectively, and how far diverse responses could evolve, reflecting different regional interests, patterns of shareholding and so on. Equally relevant will be the extent to which the policies adopted by the two groups arose primarily as a result of consultations between businessmen, or between business and government. While most firms were capable of exhibiting realism, and a sensible acceptance that political change could not be obstructed, there was nevertheless scope for significant differences in response between different sectors and different firms.50

A further consideration will be the degree to which expatriate firms could look to the imperial state to defend their interests as political devolution gathered pace. Overt intervention might, it could be argued, risk jeopardising the delicate political relationship London was usually attempting to cultivate with approved, ‘moderate’, African nationalists, a relationship intended to guarantee a degree of ‘informal influence’ in former colonies, embracing not only commercial, but also political and strategic considerations. Even when the Colonial Office was under the political leadership of a prominent businessman, as it was between 1951 and 1954, businesses could not expect favourable treatment if this might antagonise emerging African elites on whom future ties with Britain would depend.51
In proving their commitment to the host country in which they operated, few expatriate firms were oblivious to the gains to be derived from a well-planned public relations strategy. In Northern Rhodesia, the mining industry developed highly refined skills in this field, ranging far beyond mere rhetoric, and embracing a practical commitment to African development and raised living standards. These efforts were rewarded, perhaps, in the generally favourable comparisons made between activities on the Copperbelt, and mining enterprise elsewhere in Africa. Arguably related to the public relations efforts pursued by firms was the attempt, becoming more sustained after 1945, to substitute African personnel for expatriate staff. This could be a response to purely commercial pressures, for instance, the desire to cut costs by reducing a firm’s wage bill, or it might be a response to political pressures, particularly where, like the United Africa Company in West Africa, previous business activities had generated intense local mistrust. The major practical obstacle to this course was often in identifying ‘suitable’ local candidates. A refinement of this strategy was to appoint local members to a company’s board, further reinforcing links between a firm and local elites. In Northern Rhodesia, the equivalent of this ‘Africanisation’ policy was the interest shown by the mining industry, at least from the late 1940s, in challenging the racial barriers (the ‘colour bar’) which stood in the way of African workers progressing to skilled categories of work. This issue, which dominated Copperbelt affairs for over a decade after the war, was driven partly by the mining industry’s needs to cut costs in the face of intensifying international competition, and partly by a desire to foster better industrial relations in the face of deepening African labour militancy. Tackling the highly controversial subject of African ‘advancement’ in this way may have served a valuable secondary function in enabling the industry to reach out to a newly-emerging generation of African political activists.

The clearest way in which any expatriate firm could signal its identification with a host country, however, was to establish a visible presence in that country, for example by creating locally-registered subsidiaries, or even transferring its domicile to that country. Not a new practice by the time of late colonialism, having long been employed in British India, this further example of ‘localisation’ by firms could not only form another component of a firm’s public relations strategy, but brought the firm concerned closer to the centres of political decision-making which became increasingly important with ever-greater measures of political devolution within the colonial empire after 1945. In Northern Rhodesia, similarly, the post-1945
years witnessed a protracted debate, stimulated by growing local settler political pressure, on the advantages of changing the two mining groups’ domiciles from London to Lusaka. Although a desire to escape punitive metropolitan taxation levels was one factor in the firms’ calculations, the potential political advantages of taking this step may have been the decisive consideration.

The period encompassed by this book witnessed extraordinary changes in Britain’s relationship with its African dependencies. During this period, the very foundations of colonial rule were called into question, and attempts were made to formulate a new, reformist style of colonialism, theoretically charged with preparing the colonial territories for eventual self-government. At the heart of this process was a reappraisal of the functions and responsibilities of the colonial state, an attempt to infuse colonial rule with a commitment to ‘development’, modernisation and a capacity to equip colonial societies with the economic underpinnings necessary for political advancement. Few colonial territories during these decades experienced economic changes so sudden and dramatic as those felt in Northern Rhodesia. The introduction of large-scale copper mining would create new pressures and problems for a colonial administration barely equipped for the minimal role it had originally been created to perform. Equally, the Colonial Office in London found itself being obliged to respond to a range of policy questions concerning subjects of which it had little knowledge or experience. The development of a natural resource as precious as copper not only had fundamental implications for the people and economy of Northern Rhodesia, but had wider ramifications for key aspects of imperial policy, both economic and strategic. It was perhaps inevitable that so profound a development would itself become the subject of heated political controversy: equally important was the fact that the new copper wealth generated on the Copperbelt would become an important factor in calculations of Britain’s wider interests throughout Central Africa, and the focus of contested visions of the region’s political future. The aim of this book will be to chart how the machinery of late British colonial rule dealt with the varied new responsibilities and challenges created by the development of the Copperbelt, to examine how its relationship with the mining industry evolved, and to attempt to assess whether the late colonial state was capable of achieving a coherent policy on mining.
1
The Colonial State and the Development of the Copperbelt

Origins

While copper has been produced in what became Northern Rhodesia for at least a millennium, the origins of modern mining in the territory date from the turn of the twentieth century. Until the 1920s, development was fitful and speculative. Prospects were initially unpromising, especially when compared with those of neighbouring Katanga. Investors were deterred by the absence of railway links to the coast, making transport of ore expensive. Expert opinion remained sceptical about Northern Rhodesia’s potential as a serious producer of minerals. Unsurprisingly, the British South Africa Company, which administered Northern Rhodesia until 1924, was unenthusiastic about copper development in the territory. Transforming this situation was the dramatic post-war increase in world demand for copper, associated particularly with the growth of the automobile and electrical industries during the 1920s. In the United States, which was critical to the copper industry’s revival, demand grew by over 60 per cent between 1922 and 1926. In these conditions, financiers showed renewed interest in the Copperbelt’s possibilities. The capital-intensive nature of copper mining has generally been seen as leading naturally to large-scale, corporate mining. Given the complex and expensive technological inputs required, only the corporation, newly emerged in US business, appeared able to respond adequately to the demands of modern mining. The 1920s saw the structure of expatriate enterprise in much of colonial Africa changing, with the foundations being laid for ‘managerial capitalism’, associated with the rise of the large firm and having long-term business strategies. Moreover, larger concerns, with interests in several mines, enjoyed not only organisational and administrative advantages, but
also the opportunity to spread risks, in a proverbially risky sector. The first phase in the large-scale development of the Copperbelt began in 1922, with the relaunching of the Bwana Mkubwa mining company, a subsidiary of the Anglo American Corporation. With fresh injections of South African finance, the company included some of the most prominent and influential figures in southern African mining, including Edmund Davis, Dougal O. Malcolm (who provided a direct link to the BSAC), Alfred Chester Beatty, the financier and mining engineer, and Sir Ernest Oppenheimer, the South African mining magnate.

Although initially unimpressed by the copper industry’s potential, the BSAC could subsequently claim some credit for the Copperbelt’s rapid development. Of critical importance was the company’s decision, in 1922, to reform Northern Rhodesia’s mining laws, privileging larger, well-financed concerns, with adequate technical expertise. The aim of the new policy was specifically to attract large prospecting companies, and avoid the development of a system of smallholdings such as that which characterised Southern Rhodesian mining. Effective from 1923, this initiative was soon followed by the entry into the territory, on a large scale, of capital from the United States, Britain and South Africa.

The rapid and co-ordinated development of the Northern Rhodesian copper industry was helped by the fact that the BSAC was closely associated with Oppenheimer’s Anglo American Corporation and with other key business interests, making it easier to attract capital on the scale needed. In turn, the attractions of Northern Rhodesia to investors included both the size of concessions awarded by the BSAC, and the absence of government regulation. Moreover, given the anticipated rewards, mining concerns were willing to invest heavily in developing the basic infrastructure mining required, ranging from roads to airfields.

At a technical level, the real breakthrough in the Copperbelt’s development came in the mid-1920s, with the discovery of large-scale deposits of sulphide ore along the upper Kafue river, which could now be worked more profitably than the oxide ores on which earlier operations had concentrated.

By the late 1920s, four mines – Roan Antelope, Mufulira, Nkana and Nchanga – were being developed, in addition to the existing Bwana Mkubwa concern, but escalating costs underlined the importance not only of attracting additional South African capital, but, increasingly, the prominent role which US capital and expertise would play in Northern Rhodesia. Just as it had previously done in Katanga, the United States, drawing upon its experience of copper mining at home and in Chile, played a vital role in the development of the Copperbelt.
The tradition of discouraging US involvement in developing British colonial resources was challenged by the Copperbelt’s urgent need for American help. Although, subsequently, there would be a sustained attempt to curtail this role, keeping control as far as possible in imperial hands, US finance was nevertheless involved in developing every Copperbelt mine during the early years, and British capital played a relatively minor role up to the late 1920s. Encouraged by glowing reports of the Copperbelt’s potential, in 1928 the American Metal Company bought a one-third interest in Roan from Chester Beatty, along with a minor stake in the latter’s other interests. Out of these transactions emerged the Rhodesian Selection Trust. However, when, later in 1928, AMC offered one million pounds for a two-thirds interest in RST, Anglo American blocked the move. At a time when American dominance of the mining world was manifest, Oppenheimer argued that the enhancement of AMC’s influence in Northern Rhodesia would not be in the national (that is, imperial) interest. A further consideration, arguably, was the challenge posed to Oppenheimer’s vision of southern African economic expansion under British aegis by the growth of Afrikaner nationalism during the 1920s, specifically Afrikaner hostility to the free market in labour and to the City of London as the hub of imperial finance. This episode highlighted the strategic, as well as economic, value which the Copperbelt would quickly acquire. The First World War had convinced the British government of the need to maximise supplies of vital raw materials from within the Empire, reducing the country’s dependence in the event of another emergency. However, within the Empire only Northern Rhodesia possessed large, still unexploited, copper deposits. These were also the only major imperial copper deposits within what would soon be consolidated as the Sterling Area.

The creation of RST suggested that Beatty, contrary to Oppenheimer’s previous view, genuinely wanted to operate his own Copperbelt mines, and could, thanks to his US backing. Oppenheimer was accordingly keen to consolidate his Northern Rhodesian interests into one company, keeping half of the Copperbelt, at least, in ‘British’ hands, and capable of securing support from large South African and British firms. The outcome was Rhodesian Anglo American, incorporated in London in December 1928. At this time, around three-quarters of the world’s copper production was already in US hands, and the Copperbelt, too, appeared destined to fall under American control. A bid in 1929 by the American Smelting and Refining Company to secure control of the Nchanga mine company was seen in London as a
challenge to British and South African influence within the Northern Rhodesian industry, which was undesirable on strategic grounds. The British government turned for help to Sir Auckland Geddes, a former Cabinet minister, and currently chairman of Rio Tinto, a company which mined copper in Spain. A carefully orchestrated counter-offer by British interests blocked the ASRC’s initiative.20

The trend towards consolidation in the mining industry led in 1930 to the merger of Bwana Mkubwa, Rhodesia Congo Border Concessions (formed in 1923 by Beatty and Oppenheimer) and Nchanga Properties to form the Rhokana Corporation. Anticipating a recurring theme in mining history, Oppenheimer and Geddes felt that a large company would be better able to resist state interference, as well as to hold its own in negotiations with the BSAC and to make itself heard in any future discussions on output restriction. The more specifically business rationale for the Rhokana merger lay in the conviction shared by Geddes and Oppenheimer that a larger firm, operating several mines, could function more efficiently, spread its risks and attract investment more readily. Moreover, the merger would enable profits made in one mine to be used to raise loans to develop other mines. Similarly, economies of scale might be achieved, especially in terms of managerial and technical support.21 But a significant strengthening of US interest in the Copperbelt occurred in October 1930, when Selection Trust sold 800,000 shares in Roan Antelope (17 per cent of the latter’s issued capital), and one million RST shares (28 per cent of that company’s issued capital), to AMC, making it RST’s largest shareholder.22 Although Selection Trust had lost its controlling interest in RST, Chester Beatty remained the latter’s chairman, a position he would retain until 1953.

By 1930, the corporate structure of the Copperbelt had achieved the distinctive form which would remain unchanged in essentials until the 1960s. The Rhokana merger completed the division of the Northern Rhodesian copper industry into two major mining groups, each controlling approximately half of Copperbelt production: RAA, largely South African-owned and controlled, and RST, controlled primarily by American capital.23 The two groups were in practice partly connected, through various financial arrangements. Thus, RAA controlled the Nkana, Nchanga and Bwana Mkubwa mines, while RST controlled the Roan Antelope and Mufilira mines, joined later by Chibuluma.24 Nevertheless, Oppenheimer remained suspicious of American influence over the RST group, while RST sought to resist RAA’s aspirations to dominance of the Copperbelt.25 The Northern Rhodesian Governor, Sir James Maxwell, commented in 1929 that while he had encountered
no difficulties working with either group, he thought it ‘quite obvious’ that RST was not anxious for any ‘intimate’ co-operation with its rival.26 Certainly, the links between RST and AMC would have important implications for the former’s policies, making the group more independent than RAA of the influence of the South African mining world and its priorities.27 However, the suggestion has been made that the reliance of the Copperbelt on ‘tough-minded’ managerial staff of American or South African origin may have had important consequences for the development of the mining industry in Northern Rhodesia, particularly its pattern of industrial relations.28

The Depression and its impact

In the late 1920s, the Copperbelt was tipped eventually to become one of the world’s major sources of copper.29 Within a decade, it seemed, half of global output might be being produced by Northern Rhodesia.30 It seemed feasible that the territory’s production, combined with that of Canada, would free Britain from dependence on non-Empire sources.31 Such optimism was abruptly disturbed by the onset of the Depression, and the temporary collapse of the copper market.32 Ironically, the recent success of the copper industry in expanding production, for example in Chile, the Belgian Congo, Canada and Northern Rhodesia itself, aggravated a situation of oversupply.33 Moreover, previously high copper prices had encouraged consumers to investigate cheaper substitutes, such as aluminium, a practice which would haunt the copper industry for decades to come. Within Northern Rhodesia, the impact of the Depression was felt quickly. Development work was suspended, and plans for expansion temporarily shelved. During 1931 and 1932, some 58 per cent of the workforce lost their jobs, and the European population of the territory fell by nearly a quarter in just two years.34 Despite the shock of the slump, its effects in Northern Rhodesia were less severe than those experienced by producers of copper elsewhere. A key advantage was that the Copperbelt companies were relatively low-cost producers.

To address the problem of fluctuating commodity prices between the wars, various restriction schemes were introduced, often with government backing, but, with the exception of those dealing with tin, tea and rubber, most were unsuccessful. Price stabilisation was liable to encourage increased production, and so add to the basic problem of global overcapacity.35 Even before the Depression, in 1926, the large US copper firms, who between them dominated global production, formed
a major combine, Copper Exporters Inc., intended to curtail copper supplies, and so tackle notorious price volatility. Yet the very existence of the scheme, and the artificially high prices which it created, stimulated production, attracting fresh investment in the industry, and encouraging the development of even greater over-capacity, which in turn ultimately forced prices down again. Nevertheless, the attempt by Copper Exporters Inc. to support copper prices arguably provided a powerful incentive to develop the Copperbelt. Following the onset of the Depression, producers themselves reached an international agreement to deal with falling prices. In late 1930, Copper Exporters met and introduced fresh production cuts. However, the cartel was increasingly aware that its activities could not address the basic problems of the industry so long as so many producers, including the new Copperbelt mines, were not included. A conference of all copper producers agreed that from the beginning of 1932, world output would temporarily be restricted to 26.5 per cent of current capacity. The Northern Rhodesian producers participated, and agreed to cut their output to 80 per cent of capacity, involving the closure of the Mufulira mine, leaving only Roan Antelope and Nkana in operation. However, the Copperbelt companies were never enthusiastic about this agreement, seeing it as a means of supporting inefficient rivals, and relatively high-cost producers, such as those in the United States: as low-cost producers, the Northern Rhodesian mines’ competitive position was stronger than that of many members of the scheme. The restriction scheme proved to be unsatisfactory, and prices continued to fall, reaching 5.6c. per pound in February 1932, prompting Washington’s imposition of a copper import duty to cushion American producers, which effectively isolated the country from the world copper industry. This led a number of companies to withdraw from the restriction scheme, and Copper Exporters Inc. disintegrated. Following the failure of another conference in New York late in 1932, unrestricted competition resumed. Despite this, both Roan and Nkana worked at only around half capacity during 1932–3, and both Mufulira and Nchanga remained closed. Although often viewed as being in an impregnable position, the Northern Rhodesian producers felt vulnerable compared with their competitors the Canadians (for whom copper was a by-product of other activities) and the Chileans (free, it was thought, to reduce their costs by deft currency manipulation). As a result of their experiences during the 1930s, the Copperbelt preferred to allow the market to determine the price of copper. An even more fundamental moral drawn from their experiences, arguably, was that, like the Canadians,
the Northern Rhodesian producers felt that the co-ordination of the production and marketing of copper was best settled by the producers themselves rather than by government intervention.42

A striking feature of the Copperbelt producers’ response to the Depression was that once prices began to recover, they opted, like other low-cost producers in Canada and the Belgian Congo, to increase production.43 Based on assessments of future world demand, given the long-term trends of population growth and rising living standards, they felt that the Copperbelt enjoyed particular advantages, above all being a relatively low-cost producer. Their aim, which ultimately proved to be a sound strategy, was simply to encourage consumption at a ‘reasonable’ price, benefiting from the economies of scale their large operations could offer.44 Helping them enormously in this respect was the fact that African labour costs were low, and that it was assumed that unemployed African workers could return to their rural homelands, and so relieve the companies of responsibility for their support. Moreover, the companies were not yet faced with the strength of organised African labour.45 Significantly, Beatty had previously dismissed reliance on ‘the fallacy of the cheapness of low-paid labour’.46 With world demand for copper rising steadily, once the recession had eased, the Copperbelt producers felt confident about their position within the global industry, and about Britain as a ‘safe’ market. Nchanga mine was therefore brought into operation in 1939.47

The inter-war years witnessed various attempts to achieve greater imperial economic integration. The American copper duty, for instance, effective from 21 June 1932, prompted calls from within the Empire for reciprocal action by the British government. Already facing the exclusion of their produce from the US market, Empire copper producers feared that the new US duty would encourage American refiners to off-load their excess output on British and Empire markets.48 This issue enabled Geddes to remind London of the importance of copper to imperial defence and economic interests. Prior to the Ottawa conference in summer 1932, Empire copper producers called for a preferential tariff to ensure that Empire markets were reserved for Canadian and Northern Rhodesian copper.49 Eventually, in August 1932, they settled for the existing ten per cent tariff, accompanied by free entry. The Ottawa agreements embodied these pre-existing decisions, in that British consumers were to be able to buy their copper at world prices, while non-Empire imports into Britain would be liable to pay duty, but only on condition that Empire producers could meet British requirements at world prices.50 The imposition of a 2d. per pound duty on all
non-Empire copper gave Northern Rhodesian producers an assured market in Britain. Nevertheless, the agreement reached at Ottawa could not conceal important differences between Empire copper producers. For the Copperbelt, the primary concern in the early 1930s was to resume development and full-scale production. Yet, as the Colonial Office was aware, there were ‘extremely powerful interests’, both within and outside the Empire, keen to delay the resumption of Northern Rhodesian development. Specifically, the Canadians argued that their output could meet all the copper requirements of the parties to the Ottawa Agreement. However, as their costs were approximately 50 per cent above those already realised by Roan Antelope, and being projected for Mufulira, they stood to lose out from the re-opening of the Copperbelt mines.

Between 1930 and 1938, Britain’s imports of copper doubled, helped by the recovery of British industry, particularly the development of the automobile and electrical industries. In the same period, Northern Rhodesian copper production rose from 6,400 tonnes to 211,500 tonnes. The Copperbelt’s steady recovery from the mid-1930s onwards was given a further boost by the onset of serious rearmament in Britain from 1937. Ironically, Germany, too, became a major customer of the Copperbelt: while Britain bought approximately half Northern Rhodesia’s output, Germany (also rearming) bought approximately one third, becoming the territory’s second largest customer, even though the Nazi regime aimed for economic self-sufficiency, and used aluminium instead of copper wherever possible.

One lesson of the First World War had been the importance of colonial produce to Britain’s war effort. With basic costs in Africa normally significantly lower than in the industrialised countries, local processing offered the prospect of greatly reduced transport costs. During the 1930s, as well as mining copper, Northern Rhodesia began refining the metal, in particular producing blister copper, since it was no longer thought realistic to export ores or concentrates, which might contain only four and 40 per cent of copper respectively. In 1933, concluding that it would be cheaper to undertake its own refining than to send its ore to the United States, to be refined by AMC, the Rhokana Corporation decided to build an electrolytic refinery. Since the late 1920s, Anglo American had been arguing that refining should not be left to the United States, but should be done within the Empire, on strategic as well as financial grounds. The Colonial Secretary, Leopold Amery, was sufficiently impressed by this argument, especially the strategic aspect, to refer the entire question to the Committee of
Imperial Defence. In turn, the Principal Supply Officers Committee of the CID, chaired by the President of the Board of Trade, agreed that from the defence point of view, it was of the ‘first importance’ that copper refining be established in Britain, and that it was preferable to be dependent on refineries in any part of the Empire than on those in foreign countries. The committee, which had been monitoring recent developments in the territory, especially growing American influence there, therefore recommended that adequate supplies of Northern Rhodesian material should be made available to satisfy British-controlled refineries, wherever they were located. However, the Board of Trade believed that any attempt to prohibit the export of copper from Northern Rhodesia for smelting in a foreign country would prejudice London’s efforts to secure the abolition of such restrictions in other countries. The Treasury eventually vetoed government funding for a British refinery. Hoping that the industry itself could find the necessary resources, it argued that ‘any premature development by His Majesty’s Government might well have the effect of distorting what may be some day a healthy development’.

Cost eventually proved decisive. By early 1933, it had been calculated that a refinery built in Britain would cost nearly £706,800, whereas a plant in Northern Rhodesia would cost approximately £415,000, the difference largely being due to the relative cheapness of African labour. The Rhokana Corporation would find £130,000 of this, and seek the remainder from the Colonial Development Fund. The corporation stressed the added attraction that 80 per cent of the expenditure on this development would be within the Empire. For the Colonial Office, Sir J. Campbell thought that the potential advantages to Northern Rhodesia were clear: ‘They need, badly, all the help they can get in their present difficult position’. In supporting the Rhokana Corporation’s bid for CDF assistance, the Northern Rhodesian government endorsed the claim that an electrolytic refinery would free this ‘essential’ industry from its dependence on American interests. It would, moreover, help boost public confidence in the territory’s economic future. As well as having the immediate effect of increasing employment and revenue, it would provide a general stimulus to trade. The Colonial Development Advisory Committee accepted the Northern Rhodesian government’s case, recommending that a loan of £240,000 be made to the Northern Rhodesia government. Production at the new refinery began in December 1934.

During the 1930s, then, the Copperbelt underwent a dramatic phase of expansion. By 1939, Northern Rhodesia was the world’s fourth
largest producer of copper, adding not only to the Copperbelt’s economic value to Britain, but also to its strategic importance, at a time of heightened international tension. In these circumstances, after a lengthy period of development, the mining companies began to earn healthy profits. In 1933, for example, Rhokana’s profits rose from £831,221 to £2,175,057, and in 1935, both Roan Antelope and Rhokana were in a position to pay their first dividends. The extraordinary developments on the Copperbelt during the 1930s clearly established copper mining as the dominant sector of the Northern Rhodesian economy, far outstripping settler agriculture in importance. This was a very different outcome from that which the BSAC had expected in the 1890s, of a territory with a mixed economy, enjoying a strong element of diversification, embracing mining, cattle-rearing, along with cotton and rubber plantations.

The role of the state and business-state relations

When the Colonial Office assumed administrative responsibility for Northern Rhodesia from the British South Africa Company, it inherited the Company’s tiny administrative apparatus, largely composed of officials schooled in the South African tradition of ‘direct rule’. By the later 1920s, the ‘Indirect Rule’ philosophy, already established in Nigeria, and subsequently in Tanganyika, was becoming influential within the Northern Rhodesian government. Central to this style of colonial rule was the attempt to develop ‘Native Authorities’ as the major agencies of government, underpinned by the belief that the best features of traditional indigenous institutions should be preserved. Before the onset of the Depression, and the government retrenchment which accompanied it, there had been expectations that the work of developing the colonial economies would increasingly involve a growing role for government. Yet, while there was, by the 1930s, increased recognition in colonial government circles that more needed to be done to alleviate immediate sources of distress, such as drought and famine, and to provide better health care, ‘trusteeship’, and its political expression, Indirect Rule, were based on assumptions that fundamental social and economic structures in Africa were deeply rooted in African culture, and could only be changed at a very gradual pace if the preconditions for political and social stability, and so for colonial rule, were not to be threatened.

As has already been suggested, the development of the Copperbelt in practice owed very little to government intervention. Sceptical of the
territory’s mineral potential, the Northern Rhodesian government hesitated about providing even basic infrastructural facilities. Among the British territories in Africa in the inter-war period, only Northern Rhodesia and Gambia lacked government geological survey departments: in Gambia, this work was done by the Gold Coast government, but in Northern Rhodesia, the work had fallen to the mining companies. Although routinely criticised by major figures in the mining industry because of its alleged propensity to interfere, the colonial state often found itself powerless to impose its will on the large business groups on whose enterprise the development of the Copperbelt depended. As Coleman has commented, the Northern Rhodesian government failed to carry out ‘even its legitimate functions’, leaving areas such as health-care, housing and welfare to the companies. This situation had, in effect, obliged the mining companies to undertake the provision of a range of social services which even some contemporaries argued ought, properly, to have been the preserve of government. Moreover, in terms of financial clout, the colonial government in Northern Rhodesia was sadly eclipsed by the large-scale mining groups which had developed by the early 1930s. It would not be an exaggeration to say that in the crucial developmental stages of the Copperbelt, during the mid-to late 1920s, the BSAC had more influence than government over the Northern Rhodesian economy, through its control of the territory’s mineral rights and railway system. In addition to being apparently powerless in relation to the mining companies, the colonial government, as a number of commentators remarked in the 1930s, did not even appear to have a coherent policy on mining, despite the latter’s overwhelming significance to Northern Rhodesia. J. Merle Davis, an American Protestant researcher investigating the social impact of industrialisation on the Copperbelt during 1932, whose findings were published in the influential Modern Industry and the African (1933), also noted the apparent absence of a clear government policy on mining. The colonial government’s apparent paralysis in the face of the wide-ranging changes affecting the territory was all the more important, given that this was still a time when the initiative in policy matters lay with individual colonial governments, rather than with the Colonial Office. It was as secretary to the Pim Commission in 1937 that Andrew Cohen, a Colonial Office official who would subsequently play a leading role both in the evolution of Britain’s Central African policy, and of decolonisation policy in general, first visited Africa. For Cohen, who had only entered the Colonial Office in 1933, the experience was discouraging: ‘trusteeship’
seemed to be doing little to address the real problems of the people of Northern Rhodesia.  

An issue of fundamental importance to Northern Rhodesia, in view of the revolutionary economic changes unfolding on the Copperbelt by the 1930s, was the nature of the relationship between the colonial state and the large mining groups. In 1938, Sir Granville Orde Browne, the authority on colonial labour matters, described ‘a certain lack of mutual comprehension in the relations between the industry and the administration... there is a perceptible air of suspicion in the transaction of business, which is unfortunate’. A similar mood of mutual suspicion had already characterised the negotiations between the Colonial Office and the BSAC in the lead-up to the transfer of power in 1924. Much has been written on the antipathy of many colonial officials towards the operations of big business between the wars, the heyday of Lugardian precepts of the ‘Dual Mandate’, which reinforced the current conviction that the colonies’ (especially Africa’s) best prospects lay in cultivating a capacity to produce commodities, not in the distraction of industrialisation. Anne Phillips, in discussing West Africa during this period, refers to officials who ‘luxuriated’ in an ‘anti-capitalist bias’, ‘glorifying in their self-proclaimed role as guardians of a pre-capitalist order’. Yet even here, the story is far from being straightforward. As Clarence-Smith has suggested, the West African colonial governments were inclined to favour the political and social stability which was buttressed by an oligopolistic expatriate control of commodity marketing.

While colonial governments might welcome, and even depend upon, the revenue such operations might generate, a pervasive anti-business ethic was still characteristic of the attitudes of officials. What has been called a spirit of ‘romantic anti-capitalism’, grounded less in a modish leftism than in an essentially conservative desire to limit the ‘damaging’ social and political effects of economic ‘modernisation’, especially industrialisation, bred in colonial officials a distaste for the very changes Northern Rhodesia was witnessing between the wars. As Clarence-Smith has observed, this romantic anti-capitalism, evident both in the Colonial Office, and within individual colonial governments, was not a coherent ideological position, and enshrined a fundamental contradiction: distaste for modernity in (most of) its manifestations competed with a discreet appreciation of the financial benefits it might bring. This situation has been described as a ‘classic example’ of a tension increasingly evident in colonial rule between the wars, between a desire to promote export-orientated commodity
production, and a need to curtail political and social changes which might undermine colonialism itself. Among these changes, associated particularly with industrialisation, and to be avoided if possible, were urbanisation and the creation of an African working class.85 Colonial officials, it has been argued, could claim a measure of political legitimacy by ‘protecting’ African societies from the ravages of twentieth-century capitalism.86 These views, it could further be argued, tended to be reinforced by the kind of individual the Colonial Office recruited at this time, often epitomizing a romantic revolt against industrial society.87 A further buttress to these ‘anti-modernist’ tendencies came in the form of the newly-crystallising ‘Functionalist’ school of British social anthropology, for which the conservation of a vanishing traditional world gave academic enquiry an immediate and practical rationale, and for which the Copperbelt offered an apparently unique laboratory for the measurement of modernity’s impact. After 1937, much anthropological research in the territory would be concentrated in the Rhodes-Livingstone Institute, which enjoyed some official patronage.88

The misgivings apparently harboured by colonial officials towards big business were warmly reciprocated by the latter, especially in the mining industry. Sir Ernest Oppenheimer was quite clear about the need to resist government interference in mining.89 The importance of collaboration within the industry to discourage state encroachment was one reason given by Oppenheimer to justify the mergers which produced the Rhokana Corporation:

The formation of one large Company would greatly strengthen the position vis-à-vis legislation and the Government authorities generally. There is a tendency amongst Governments today to intrude themselves into the affairs of private enterprises and invariably... it is with disastrous results. This disposition is probably most accentuated in regard to mining.

This tendency to interfere finds fruitful soil in dissensions amongst rival mining enterprises because it provides the Government with an excuse to intervene ostensibly with the object of settling those differences but really with the aim of controlling the Industry...90

When mining development in Northern Rhodesia began tentatively in 1921 with Copper Ventures, the company soon found that it could not rely on help from the colonial government in developing the necessary transport infrastructure. The Northern Rhodesian government lacked both the funds and expertise to become involved in such
schemes. A further problem involved government doubts that anything would come of new mining projects, or that mineral exports might make an important contribution to the territory’s development. This official scepticism was the result of the often wildly exaggerated claims made by earlier speculators, and of memories of the inaccuracy of early estimates of the price of copper, which showed how hazardous it was to try to predict the profitability of any mining venture in the region.91

With mining development in full-swing by the later 1920s, the government could do little more than respond to that development. With the state hardly in a position to be proactive, even had it chosen to be, the initiative lay very much with the mining industry. The government’s position was described by one contemporary as being akin to ‘a terrier pursuing a motor-car’.92 The relationship between business and state was further illustrated by discussions on the location of a new capital for Northern Rhodesia. There was a strong argument that the new site should be closer to the vibrant economic heartland of the territory, and away from the stronghold of settler interests. Although Ndola, the Copperbelt’s administrative centre, was a candidate, on balance the mining companies did not relish the prospect of such proximity to government. Lusaka was chosen in 1930 as a compromise. This was a practical expression of a more fundamental characteristic of business-state relations in Northern Rhodesia. Because they were able, on the whole, to conduct their business without state interference, the mining companies saw little need to insinuate themselves into the territory’s political processes, hence it made sense for them to maintain their headquarters in London rather than closer to their field of operations. However, the mining companies’ aloofness from territorial politics was challenged from the late 1930s onwards, as, following on from Northern Rhodesia’s economic revival, other interest groups, especially the increasingly strident settler lobby (hostile on some issues to the mining industry) became more evident, suggesting a need for the industry to achieve greater co-ordination in defence of its interests.93

The mining industry and government revenue

The years immediately following the end of Company rule were not financially promising. Northern Rhodesia was then the second least productive British colony, in export terms, with only Nyasaland being in a worse position. Hence the major preoccupation in the initial phase of Colonial Office rule was to find some means of bringing the territory
into line with the current colonial orthodoxy of self-sufficiency, underpinned by stringent ‘fiscal rectitude’. Yet, before the copper industry began to develop, the territory had never been able to match its expenditure with adequate revenue, only balancing its budget for the first time in 1928. As the government put it in 1932: ‘the prosperity of the whole [territory] is... bound up with the mining industry’.94

An important implication of the government’s dependence on copper revenue, and of the fact that the industry was largely responsible for its own development since the mid-1920s, having received negligible state assistance,95 was that the government could hardly afford to adopt too robust a line in its dealings with the mining companies, even had it had the political will to do so. In practice, the copper industry was given a remarkably wide degree of latitude, and came to enjoy a good deal of autonomy in deciding how best to run its operations, maintaining what has been called a ‘discreet distance’ from colonial officials, a situation with which government was not necessarily satisfied. Equally, the mining companies, of course, found that with a relative freedom from government interference came sometimes unwelcome responsibilities, for example, for the welfare of their workers.96

In the depths of the Depression, when the Northern Rhodesian government attempted to project likely revenue, it came to the sobering conclusion that no income tax could be expected from the copper industry during 1933–4, and that very little was likely during 1934–5: until the price and production of copper had stabilised, it was unsafe for government to rely on the industry ‘to make any considerable contribution towards public revenues’.97 By spring 1933, the Colonial Office was reappraising the Copperbelt’s position in positive terms. Given that the mining industry’s production costs were so low it seemed that the government was justified in expecting a slight improvement in its own revenue position. London urged the Northern Rhodesian government to seek to balance its budget in 1935, and to begin further retrenchment immediately in order to save £50,000 on the 1934 budget. In view of the additional costs which the government had incurred from the development of the mining industry, the Colonial Office judged that some contribution from the mining companies was necessary, especially since they were not paying income tax. One possibility would be an export tax (like that on tin in Malaya), which would vary according to the price of copper.98 Unsurprisingly, the mining companies were horrified by this suggestion. They stressed their own ‘amazing achievement’ in minimising their costs, and the
fact that, in normal times, the taxes they would pay would be substantial. To increase production costs, by imposing an export tax, would, in their view, be ‘irrational and unsound’. The industry clearly saw government’s contribution to the growth of the industry as negligible, whereas the companies had borne the costs not only of the plants themselves, but also of the new townships and railway links, while shareholders still awaited a return on their ‘huge’ investment.99

A more detailed response from the mining companies emerged when the managing directors of the two groups held discussions with senior Colonial Office officials in April 1933, elaborated subsequently with detailed written submissions. It would, they claimed, be ‘wrong in principle’ to tax one particular raw material, irrespective of its current profitability. Moreover, the potential revenue to the British and Northern Rhodesian governments was large, therefore it would be a mistake to do anything which might undermine the companies’ financial stability during a period of depression. Both operating companies, it was argued, had ‘barely adequate’ working capital; although they were making a small operating surplus after paying debenture interest, this was not enough to allow them to provide for depreciation of their plant and machinery. Both companies were only able to make this small surplus due to the ‘most rigid’ economies: any additional burden would ‘gravely endanger’ their financial stability and undermine confidence in the development of the Copperbelt, prejudicing the start of operations at Mufulira. An additional problem exercising the companies, which further emphasised their precarious position, was that Britain’s departure from the Gold Standard had given them a competitive advantage, but this might be lost as a result of the United States’ similar move.100 Undeterred, the Northern Rhodesian government continued to pursue the idea of extracting a ‘contribution’ from the companies towards government services, pending the time when they would be in a position to pay income tax. It considered imposing an export tax, with any sums paid in respect of this being deductible from the income tax payable subsequently.101 After further discussions, however, the Northern Rhodesian government agreed not to proceed with an export tax, if the mining companies agreed to pay £40,000 in the current year, and £43,000 in the following year, as ‘advance’ income tax, an arrangement acceptable to the companies.102

In the event, the copper industry did prove to be an important source of revenue. After 1935, it was to be Northern Rhodesia’s most important single source. By 1937, with the recovery now strong, taxes generated by mining constituted around 45 per cent of the
Copper Empire

This in turn reflected Northern Rhodesia’s dangerous dependence on a single major export. Between 1934 and 1938, 87 per cent of the territory’s export earnings came from copper. Only two other colonies were more dependent on a single commodity. In this sense, Northern Rhodesia offered a sharp contrast to most of British Africa, which tried to pursue economic diversification between the wars. Despite its financial problems, the government was never obliged after 1934 to show an annual deficit. Nevertheless, the dangers inherent in the colonial government’s dependence on the mining industry as a source of revenue were demonstrated in its response to the copper restriction agreement of 1932. This came as a sharp reminder that private interests could take policy decisions which, by drastically cutting back production levels, might have potentially devastating consequences for the territory. It led to a proposal to give the colonial government powers to prevent the suspension of production and to enforce continuing mining operations, with the ultimate sanction of expropriating unworked sites. Governor Maxwell had already raised this issue in connection with the abrupt closure of the Bwana Mkubwa mine by the Rhokana Corporation. Within the Colonial Office, it was felt that mining companies should not have the power to make decisions such as this, with enormous implications for the affected labour force (which might, it was feared, in desperation, turn to sabotage). On the other hand, it seemed unlikely that the government could insist on a period of notice, the point being that warnings were not usually given that a mine was to shut, thus allowing the ‘timely’ sale of worthless shares to the public.

The mining boom of the late 1920s unfolded within a legislative framework designed to cater for very different conditions. The 1912 Mining Proclamation, drawn up by the BSAC, still formed the basis of mining law in the territory. Governor Maxwell had decided as early as 1928 that this was no longer adequate, but negotiations on revising mining legislation did not begin until early 1933, against the background of the recent recession. The most controversial aspect of the draft Mining Ordinance was Clause 28, which would empower the Northern Rhodesian government, in exceptional circumstances, and on the grounds of territorial or imperial interests, to take control of any particular mining undertaking, either by taking over operations itself, or by appointing another company or a Controller to do this. Clearly in the minds of the Ordinance’s drafters was a situation where, because of the actions of an international cartel, output on the Copperbelt was curtailed or even suspended, while production in other
countries was maintained. In the eyes of the Colonial Office, the 1932 Copper Restriction Agreement, which had not required the government’s prior approval, had had ‘disastrous’ consequences for Northern Rhodesia, including not only large-scale unemployment and a serious loss of public revenue, but also seriously affected the territory’s agriculture and livestock industry. This experience had demonstrated that such a situation could not be seen in purely commercial terms: on the contrary, the broader implications of a change in production policy were potentially so important that it was felt no such move should be possible without the government’s consent. Officials pointed to the examples of Nigeria and Malaya, where the Tin Restriction Agreement had only been possible because of the government’s endorsement. While the draft Ordinance envisaged compensation for mining companies affected by government intervention, it also provided for the governor to be empowered, in extreme situations, to conduct mining operations without compensation.\(^\text{108}\)

The BSAC was closely involved in the process of drafting the new Mining Ordinance. It remained unconvinced that new legislation was necessary, arguing that adjustments to its own Mining Proclamation could meet the changed circumstances in Northern Rhodesia. Nor did it share the Colonial Office’s critical view of the 1932 Agreement: without it, the Company argued, developments might have been ‘far worse’, with no copper being produced in Northern Rhodesia at all.\(^\text{109}\)

The Company’s close interest in the government’s proposals was understandable, given Chartered’s ownership of the territory’s mineral rights, and its involvement as a substantial shareholder in the mining industry. In protracted discussions, the Company’s representatives focussed on Clause 28. As the leaseholder of Northern Rhodesia’s minerals, it was the Company, not the government, which granted the location holders the right to work any minerals. The BSAC objected that Clause 28, whose provisions it claimed would be unique to Northern Rhodesia, interfered with the Company’s right, giving the government confiscatory powers over private property. It questioned whether a company employed by the government to take up mining operations would be able to resist the power of a cartel strong enough to impose the closure of mines on the Copperbelt. Further counter-arguments to the bill deployed by the Company included the concern that a company forced to continue operations might have to operate without a dividend, while its mineral reserves would continue to be depleted. This, it was claimed, would handicap such a company in its attempts to raise capital, and so serve to discourage further mining.
development. For its part, the Colonial Office did not see the ownership issue as important: other colonies in British Africa had mining legislation which made development work obligatory; moreover, it was incumbent on government to ensure that mining was conducted on the best possible lines. Late in 1934, much to the BSAC’s relief, the Colonial Office decided to abandon Clause 28. It was felt that ordinary commercial impulses would be enough to ensure that the Company would insist on continued mining development without government prompting. The Colonial Secretary thought it ‘undesirable’ to risk a conflict with Chartered or the mining companies over the issue. In any case, it would be open to the government to invoke emergency powers if this arrangement proved unsatisfactory.

Although copper contributed substantially to Northern Rhodesia’s revenue after the mid-1930s, there was a growing awareness, inside and outside the territory, that this income was much less than it might have been, had it not been for the ‘double taxation’ arrangements which applied between Britain and its colonies, and the anomalous ownership of the territory’s mineral rights. Both the BSAC and the mining companies were domiciled in London, and were therefore liable to taxation in both Britain and Northern Rhodesia, where income tax, rare in British Africa at this time, was introduced in 1921. Under the ‘double taxation’ arrangements, companies were taxed only in Britain, at the standard company rate, and half of this revenue was passed to the Northern Rhodesian government. The companies’ shareholders who were resident in Britain were, of course, liable to British tax, but this revenue was not shared with Northern Rhodesia.

Roberts makes the important point that the copper industry was only a direct source of revenue provided it made a gross profit over and above the costs of production. These included royalties, paid according to the price of copper, irrespective of profitability. However, mining was also an indirect source of revenue in that it involved large-scale imports, on which duties were payable, and because it enlarged Northern Rhodesia’s markets in commodities and labour.

With the recovery of the mining industry by 1936–7, the mining companies paid over £300,000 to the BSAC in royalties. From the remaining profits (a little over four million pounds), the governments of Britain and Northern Rhodesia each received half a million pounds in tax. They also taxed the BSAC’s royalty receipts, each receiving £40,000. Thus, the royalty arrangements also reduced the taxable income of the mining companies. Altogether, around 25 per cent of the mining companies’ profits was taken in taxation and royalties: of
this only 12.5 per cent went to the Northern Rhodesian government. Similarly, on the eve of the Second World War, with the increase in copper prices, the BSAC received as much in royalties (half a million pounds) as the colonial government received in taxation. Although Britain derived considerable revenue from the Copperbelt, the only financial help Northern Rhodesia received in return during the 1930s took the form of loans. It was later calculated that between 1930 and 1940, Britain received £2,400,000 in taxation from the Copperbelt; Northern Rhodesia, meanwhile, had received £136,000 in development aid.\textsuperscript{117}

What made these facts all the more significant was the general outlook of successive colonial governments in Northern Rhodesia, and the mood of financial pessimism which had become habitual in Government House. In 1934, the new Governor, Sir Hubert Young, embarked on a financial policy which, even by current standards of fiscal rectitude, was extraordinarily cautious. This step was prompted by a widely-shared conviction that another slump might be imminent, and that appropriate preparations were needed. Young sought to create a reserve of £400,000, equivalent to half a normal year’s revenue, along with a working balance of £100,000, as a guarantee against the kind of severe financial crises the Territory had endured since the onset of the Depression. This policy required large-scale retrenchment, and made impossible government spending on social services on a scale increasingly necessary given Northern Rhodesia’s rapid industrialisation. It was increasingly apparent that the prosperity of the mining industry did not in itself mean that the territory as a whole was thriving financially. In particular, the colonial government struggled to balance its books, in an age when fiscal caution among colonial governments was obligatory. Indeed, as Berger comments, at one point in the 1930s, the colonial government was in such dire financial difficulties that it had to ask the Rhokana Corporation and Roan Antelope to pay their income taxes in advance, and in 1936, the Governor warned that the territory was close to bankruptcy.\textsuperscript{118}

In 1938, the British government despatched Sir Alan Pim, a leading authority on colonial finance, to investigate means of cutting the Northern Rhodesian government’s expenditure.\textsuperscript{119} The Pim Commission reached conclusions radically different from those expected. It stressed the territory’s heavy financial dependence on the copper industry, between two-thirds and three-quarters of its total income tax, nearly half the government’s total revenue, and argued that Northern Rhodesia was not receiving its due share of the proceeds of mining.\textsuperscript{120}
Moreover, far from identifying opportunities for retrenchment, the report argued a serious need for increased government spending, especially on the territory’s rudimentary public social services. It pointed to the loss of revenue, despite the Copperbelt’s expansion, arising from double taxation and royalty payments. This had made it impossible for the government to invest in much-needed economic and social infrastructure. Pim privately commented that Northern Rhodesia was ‘a distressful country’, and that ‘the native position is a very depressing one’. With the exception of the mining townships, he thought, African housing was ‘a scandal’, with the government itself being ‘one of the worst offenders’.

The Pim Report had little immediate effect: even with the Copperbelt’s striking recovery in the late 1930s, the colonial government continued its policy of retrenchment. Yet, at the same time, the mining industry was beginning to demonstrate its profitability. It has been calculated that between 1923 and 1941, the mining companies made gross profits of around £25 million. In the later 1930s, the net profits of the industry rose quickly. In 1935, both Roan and Nkana were able to declare their first dividends, followed by Mufulira two years later. By 1941, the total dividends paid since the early days of mining had reached almost seven million pounds. What this meant, however, was that although the copper industry on the eve of the Second World War clearly had potential, it was not yet clear when (or even whether) the companies’ original investment would pay off. The central paradox of Northern Rhodesia in the 1930s, then, was a growing awareness of a disparity between the wealth generated by the new copper industry, and the fact that the territory as a whole remained mired in poverty. While immense sums had been invested in the Copperbelt, and copper mining became increasingly profitable from the mid-1930s, overall the territory faced a continuing, and severe, shortage of capital. The colonial government was particularly affected by this paradox, which reinforced the already timid approach to public spending characterised by the authorities.

The mineral rights issue

One of the most controversial aspects of the copper industry’s development was the question of the ownership of Northern Rhodesia’s mineral rights. The controversy originated in the treaties which the BSAC had concluded in 1890 with the territory’s indigenous rulers. Under these, Chartered claimed not only its administrative rights, but
also the mineral rights to the territory. The Company’s own Royal Charter (1889), gave it authority to conclude such treaties with local rulers, but did not in itself grant rights such as these.\textsuperscript{127} The mineral rights supposedly enshrined in these local treaties were certainly questionable: while the Company could reasonably claim to own the mineral rights in Barotseland, this had never extended to within 150 kilometres of what would become the Copperbelt.\textsuperscript{128} Under the agreement signed after protracted negotiations in September 1923 (the ‘Devonshire Agreement’), the BSAC transferred its administrative responsibilities to the Colonial Office from 1 April 1924. In return, the Company revoked any claim on the Treasury for recompense for its past administrative expenses.\textsuperscript{129} The agreement stipulated that the Company would retain any concessions it had obtained from Lewanika, the ruler of Barotseland, through their 1890 treaty, meaning that it would retain its mineral rights, and so reap enormous unexpected benefits from the development of the Copperbelt.\textsuperscript{130} At the time the agreement was being forged, the mineral rights issue was not seen by the British government as being a particularly important component of the negotiations with the Company. The fact that Northern Rhodesia’s potential mineral wealth was not yet apparent is probably the best explanation of the Colonial Office’s acceptance of the Company’s claims.\textsuperscript{131} Although relations between the Colonial Office and the Company were not always easy, there was an appreciation within the Office that the Company had borne the burden of administering the Rhodesias for over 30 years, and deserved some recompense, or at least the chance to recover some of its administrative expenditure.\textsuperscript{132}

It was particularly unfortunate, and itself a major source of subsequent controversy, that the Colonial Office did not allow enough time for the BSAC’s mineral rights to be examined fully prior to the 1923 agreement. The Buxton Committee, set up by the then Colonial Secretary, Winston Churchill, had recommended that the whole question of the Company’s claims to land and minerals in Northern Rhodesia be referred to the Privy Council, but this was not done.\textsuperscript{133} The Treasury Solicitor, in relation to the 1923 agreement, observed that ‘an agreement of this importance’ should have been approved by the Attorney-General.\textsuperscript{134} The significance of this omission, and its legacy, was clearly taken to heart by the Colonial Office. As Sir Cecil Bottomley, the responsible assistant under-secretary put it, when writing retrospectively on the 1923 agreement: ‘The lessons learnt from that experience – that everything must be recorded and that we must be on the lookout for trouble – are not likely to be forgotten’.\textsuperscript{135}
having recognised the validity of the Company’s claims to Northern Rhodesia’s mineral rights apparently so casually, the British government felt unable to query them later, in case this should be seen as a breach of the original agreement.  

It was subsequently claimed that the attitude of the Conservative government in the lead-up to the Devonshire Agreement demonstrated the influence of the BSAC, enabling the latter to receive favourable treatment. The Northern Rhodesian government’s own white paper on the BSAC’s claims, published in 1964, referred to the close links between Ormsby-Gore, Parliamentary Under-Secretary at the Colonial Office at the time of the 1923 agreement and a future Colonial Secretary, and Dougal Malcolm, the BSAC director involved in the negotiations. It was further alleged that Ormsby-Gore was partial towards the Company when he was Colonial Secretary during the 1930s, when the mineral rights issue was again being discussed. Slinn’s investigations have found no evidence of this.

With the onset of large-scale copper production during the late 1920s and early 1930s, the full implications of the mineral rights issue became clear. Governor Maxwell, bemoaning the extra expenditure involved in mining development, pointedly referred to the arrangement under which the BSAC, not the government, would benefit from the territory’s mineral royalties. Chartered had earned £12,781 in mining revenue for the year ending 30 September 1925 – the equivalent figure for 1937 when the economic recovery had been strengthened by rearmament was £311,000. In 1938, the Pim Commission commented on the generous provisions of the 1923 agreement concerning mineral rights, and noted that the government’s share of this new royalty wealth was confined to the income tax, payable by the BSAC. At one stage before the Second World War, the royalties received by the BSAC equalled the wages paid to the entire African workforce on the Copperbelt.

During the later 1930s, concerted opposition to the BSAC’s mineral rights was mounted by an increasingly politicised and vocal settler population, keen to secure the royalties on copper for the Northern Rhodesian government. This, it was felt, would allow the government to conduct the development work necessary to prepare the territory for ‘responsible’ government, the settlers’ ultimate goal. As has already been noted, one consequence of the copper industry’s development had been an influx of white migrants from South Africa and Southern Rhodesia. Determined to preserve this region as a bastion of white hegemony, this group came, in the 1930s, to enjoy growing political
influence. Already allotted five seats in the Legislative Council under ‘Colonial Office rule’ after 1924, the settlers won further concessions in 1938, when Sir Hubert Young gave them equal representation with the ‘official’ members of the legislature. This parity still meant, however, that the Governor, through his casting vote, could outvote the ‘unofficials’.

Meanwhile, the spectacular developments on the Copperbelt had attracted the interest of Southern Rhodesian politicians, many of whom lost interest in a merger with South Africa, where the pro-British Smuts regime had temporarily been displaced by Afrikaner Nationalists in 1924. Instead, amalgamation with the copper-rich north became a key political aim. The Northern Rhodesian settlers initially saw little advantage in such a change, and remained suspicious that Southern Rhodesia’s interest in a merger was at least partly driven by a desire to tap into the Copperbelt’s wealth. The settlers’ coolness was modified by the Passfield Memorandum of 1930, which asserted the primacy of African interests throughout Eastern and Central Africa.142 This, together with concern at the widening scope for African economic and social advancement, led the settlers to seek greater political power, in a bid to shake off Colonial Office control, and so prevent London blocking amalgamation with Southern Rhodesia. More immediately, Northern Rhodesia’s two leading white politicians, Roy Welensky and Stuart Gore-Browne, while differing on a number of important issues, were keen to address the problem of the loss of so high a proportion of Northern Rhodesia’s mining wealth to the BSAC and the British government.143

During the mid-1930s, the Governor, Sir Hubert Young, was sympathetic to some settler aims, but not to their desire to achieve amalgamation with Southern Rhodesia. More importantly, perhaps, Young was keenly attuned to settler opinion. He anticipated settler hostility (and opposition in the Legislative Council) towards a new mining law which, in return for some concessions, would give the BSAC a statutory title to Northern Rhodesia’s minerals. To forestall this, in July 1935 he raised the mineral rights question with the Colonial Office, prompting a detailed examination of the Company’s claims. As he would make clear in numerous subsequent communications with the Colonial Office, Young personally believed that the Company’s case was unacceptable and weak.144 Such views evoked a strong conviction within the Colonial Office that an adjustment of the existing mineral rights regime was simply no longer practicable, and that the Governor should instead focus his energy on ensuring the passage of a new mining
law. In August 1936, Young once again raised the subject in connection with the financing of Northern Rhodesia’s future capital expenditure, and the need to put the territory’s finances on a sound basis. Given that Northern Rhodesia’s only asset was its mineral wealth, Young suggested that the way forward was either to levy a large contribution from the industry, or to acquire the mineral rights ‘for a reasonable figure’, citing Sir Ernest Oppenheimer’s view that this would be in the interests not only of Northern Rhodesia but also of the BSAC. This suggestion did not seem ‘helpful’ to the Colonial Office. The head of the Office’s Economic Department, for instance, thought that the Company would certainly not accept the figure of one and a half to two million pounds suggested by Young, unless the British government definitely challenged the Company’s mineral rights; he also dismissed the idea of a loan to Northern Rhodesia to allow it to buy the rights (unless this were done at below their true value). Given that Northern Rhodesia looked set to become the ‘largest and most important copper field in the world’, the BSAC was likely to translate this into a high cash value.

Late in 1936, there was irritation within the Colonial Office that despite rebuffs by two successive Colonial Secretaries, Young remained undaunted. At the beginning of 1937, when the Governor met officials in London, he felt that the situation had been ‘transformed’ by the recent rise in copper prices and the removal of restrictions on output. It now seemed unlikely that the deficit which he had predicted for his government in four to five years would occur, provided continuing tight control over expenditure were maintained. Nevertheless, it would be difficult to finance much-needed capital development and create an essential reserve all from revenue. From this perspective, it seemed to the Colonial Office to be the worst time to approach the BSAC, because of the buoyant copper market, and the Company’s resulting optimism about the industry’s prospects: only if the Company were willing to part with its mineral rights at ‘far less’ than their real value could their purchase even be considered. Nevertheless, Ormsby-Gore, commenting on the BSAC’s rising royalty receipts, thought it at least worth exploring the possibility of purchasing the mineral rights, if a ‘decent price’ could be achieved, while loan money from the Colonial Stock Acts was still relatively cheap, and before royalty revenue had increased too much.

In August 1937, Young brought up the question formally in a despatch to Ormsby-Gore. He argued that the relevant section of the 1923 agreement (clause 3(G)) meant that the Company’s claims were
only recognised over those parts of Northern Rhodesia specifically encompassed by the concessions made by Lewanika, and the certificates of claims referred to in that clause. Young considered that the available evidence suggested that the region of the Copperbelt on the east bank of the Kafue River had never been within Lewanika’s jurisdiction, and was certainly outside the scope of the certificates of claim. Therefore, unless the British government intended to recognise the Company’s mineral rights throughout Northern Rhodesia (in effect ignoring the issue of whether the whole area was covered by the concessions and certificates), the Company’s claim was at least open to question. If this were London’s intention, Young sought the information he would need in order to respond to challenges in the Legislative Council.151 In response to Young’s contention that it was ‘inconceivable’ that the British government could have made such a poor bargain, the Colonial Office felt that this may have been a right and proper point to have made in 1923, but not 14 years later: then, it had been assumed that the BSAC’s royalties had been finally commuted in 1911. Challenging this interpretation might lead to a ‘prolonged and bitter controversy from which, whatever the result, the Colonial Office cannot hope to emerge with any credit’. 152 The Permanent Secretary of the Colonial Office spoke for many of his colleagues when he described Young’s persistence on this matter as ‘rather tiresome’.153 Against this background, it is perhaps not surprising that Lord Hailey, although discussing the problems raised by mining in a colonial context in his authoritative African Survey of 1938, concluded that it ‘would hardly be of value’ to comment on the comparative merits of state and private ownership of mineral rights.154 Replying to Young in January 1938, Ormsby-Gore categorically refused to re-open the mineral rights question. He pointed out that these rights had been recognised in practice ever since the BSAC began administering Northern Rhodesia, and had been recognised under the 1923 agreement.155 It seems clear, then, that the Colonial Office’s principal concern was to uphold the principles of the 1923 agreement. This position had the backing of the Office’s Legal Adviser, whose opinion was sought following further pressure from Young in July 1938.156 Yet the question had important political ramifications which Young could not ignore. Unofficial members of the Legislative Council had raised the issue on a number of occasions, and the imminent arrival of the Royal Commission, chaired by Lord Bledisloe, to investigate the scope for territorial amalgamation was bound to create fresh opportunities for its discussion. If it became known that the Northern Rhodesian
government had expressed doubts about the Company's mineral rights, and that the Colonial Secretary had overruled these, Young anticipated a further impetus to the demand for amalgamation.157

Driving much of this renewed activity were the parallel, and protracted, discussions on the revision of Northern Rhodesia's mining legislation. The draft mining bill, in whose progress the BSAC took an understandably close interest, included Clause 5 which would have given full statutory recognition to the Company's mineral rights. With talk of amalgamation in the air, and the possibility of hostile settler politicians acquiring more power, the Company seemed keen to have its rights enshrined in law as quickly as possible. The bill, as it stood early in 1938, was bound to be challenged by the elected unofficials, which would oblige the governor to use his casting vote, something he would be reluctant to do. Moreover, the fundamental importance of the mineral rights issue to Northern Rhodesia's finances had been stressed by Sir Alan Pim in his recent report. Pim had felt it necessary to include a 'dispassionate' account of the original concessions, and of the 1923 Agreement, in order to explain why the Northern Rhodesian government received no mineral royalties, while the British Exchequer received three-fifths of the territory's income tax. This underscoring of the situation where only around 40 per cent of the total levy on the mining industry went to the local government was central to Pim's thesis that, 'except in times of great prosperity in the copper industry, Northern Rhodesia is too poor a country to meet from its own resources the full cost of the essential social services at a standard which can be regarded as satisfactory'. More immediately, the issue was not whether the draft mining bill went further than the 1923 Agreement: for the Colonial Office it clearly did. Rather, the question was whether a judicial authority might decide that the BSAC's rights did not cover the whole territory. Deadlock had been reached, with the Northern Rhodesian government adamant that it would be a betrayal of the territory's interests to grant the Company statutory title to its mineral rights, and the Colonial Office equally clear that to question that these rights covered the whole territory would be a breach of faith. For Andrew Cohen, who would be prominent in these discussions for over a decade, the only satisfactory solution was for the Crown to purchase the rights, ideally with the Treasury agreeing to meet at least part of the interest payable on the necessary loan.158

Young remained 'very insistent' on the issue, apparently having the support of all his official advisers, but agreed not to raise it when giving evidence to the Bledisloe Commission: if asked, he would give a
suitably non-committal response. Yet the subject was being widely discussed in both Rhodesias, and rumours were circulating that the BSAC was considering selling its mineral rights to the Anglo American group. In the event, the Law Officers in London supported the position of the Colonial Office and the BSAC, deciding that Young’s arguments would cut little ice in a court of law. Young, it appeared, had ‘in fact wasted a good deal of everybody’s time’. In December 1938, as Young had predicted, settler representatives in the Legislative Council, angry at the greatly enhanced value of the BSAC’s royalty revenue, given the prevailing boom conditions, questioned the validity of the Company’s mineral rights. The Colonial Office, anxious to avoid controversy, responded by arranging for the Colonial Secretary’s despatch to Northern Rhodesia of December 1938 to be published in the territory. Malcolm MacDonald had made the basic point that even if Lewanika’s jurisdiction had not extended to the disputed area, the Crown had already accepted that it did, and that subsequent legislation had been built on this assumption. He pointed out that the relationship between the Crown and the Company had been ‘peculiar’, involving mutual obligations ‘not expressly formulated’ in the agreements between them. For the British government to question the Company’s mineral rights would be unjustified and a breach of good faith. Perhaps unsurprisingly, the publication of MacDonald’s despatch served only to intensify the settlers’ resentment towards the BSAC’s position.

Early in 1939, the report of the Bledisloe Commission, while approving amalgamation of the Rhodesias in general terms, offered no specific advice on how this might be achieved, and emphasised the significant divergences in ‘native’ policy between Southern Rhodesia and its two northern neighbours. Despite the apparently strong economic case for amalgamation, political considerations stood in its way. Not only would a merger evoke hostility from advocates of African rights within Britain, but the striking disproportion of the African and European populations (approximately 85,000 settlers, compared with over five million Africans) inspired little confidence in London that a stable political unit could be forged. Worse still, from the metropolitan viewpoint, failure might require the resumption of costly direct rule by Britain, or even lead to the region falling under South Africa’s sway.

The interconnectedness of political and economic developments in Central Africa was highlighted in the wake of the publication of the Bledisloe Commission’s report. The Southern Rhodesian prime minister, Huggins, had proposed a referendum on amalgamation, but
Roy Welensky, one of the most vocal of Northern Rhodesia's ‘unofficials’, feared that this might be counter-productive: voters in Southern Rhodesia, he judged, might be deterred from amalgamation if this meant that a new, amalgamated government inherited responsibility for buying Northern Rhodesia’s mineral rights from the BSAC. Nevertheless, in his evidence to the Bledisloe Commission, L.W.G. Eccles, Commissioner for Lands, Mines and Surveys for the Northern Rhodesian government, had warned that it was ‘certain’ that if amalgamation went ahead, a ‘determined effort’ would ensue somehow to acquire Northern Rhodesia’s mineral rights. Although on the eve of the Second World War, both the transfer of the mineral rights, and territorial amalgamation, had reached an impasse, each topic would return to preoccupy metropolitan and local policy-makers.

There was, of course, a wider context in which these discussions of Northern Rhodesia’s circumstances unfolded during the 1930s. Specifically, there were several instances where the state took action to give itself a greater role in extracting the wealth derived from mining, or in regularising the ownership of mineral rights for the benefit of the wider community. In Southern Rhodesia, in 1933, the BSAC sold its mineral rights to the government for £2 million. In this case, the Company was happy to receive an injection of cash at a difficult time, and was able to invest this in a range of enterprises. In Britain, in 1938, the National Government took Britain’s coal deposits into public ownership. A more dramatic intervention also came in 1938 with the nationalisation of foreign oil companies by the Mexican government, the first time an oil-producing country had successfully resisted the claims of expatriate firms to own a country’s oil.

The mobilisation of labour for the Copperbelt

Despite the Northern Rhodesian government’s obvious reliance on revenue from the Copperbelt, there was clearly considerable discomfort among the same officials to recognise the realities involved in the impact of mining on the territory, especially its social implications. As the Colonial Office’s Labour Adviser commented to the Colonial Secretary in 1937: ‘Northern Rhodesia reminds me of an elderly maiden lady who has let her lodgings to a party of racing sharps and is scandalised by their behaviour, though very glad of the rent’. This dilemma was, perhaps, seen nowhere more clearly than in the colonial state’s uneasy handling of labour policy during the inter-war period. Northern Rhodesia’s early role as a colonial territory, under BSAC rule,
was to provide labour, needed for the expanding mineral industries of central and southern Africa, especially the copper mines of Katanga and the gold mines of Southern Rhodesia. Because of its interests in these developments, the BSAC was concerned to ensure that these territories had an adequate supply of cheap labour. Northern Rhodesia, with its population of over one million, appeared to offer the solution. In 1898, when Southern Rhodesia encountered labour shortages, Chartered introduced a hut tax in North Eastern Rhodesia, intended to encourage workers to migrate to the south. In order to pay their taxes in cash, and to buy consumer goods no longer produced locally, Africans were obliged to seek wage labour. The hut tax would become the most important single component of the BSAC’s administrative revenue, producing £91,600 in 1921, out of a total revenue of £235,000. With the growth of white farming in Southern Rhodesia during the years preceding the First World War, the territory’s reliance on Northern Rhodesian labour intensified.

With the development of the Copperbelt, Northern Rhodesia could satisfy its own labour needs from volunteers, and was able to draw on the considerable numbers of Northern Rhodesians with mining experience. These volunteers looked for practical benefits, in economic and social terms, securing items to which they had become accustomed elsewhere. These migrants were far from passive: they exercised, as far as possible, an ability to choose between different potential employers. This tended to benefit the mining companies, which could offer better terms than could many other employers. Moreover, other fields, such as the railways, the construction industry and the government itself, were highly restrictive in terms of their labour policies. In comparison, the mining industry offered opportunities to Africans to make progress, for example as instructors. The Copperbelt’s workforce grew rapidly from the late 1920s. From a total of 8,000 in 1927, the number had almost trebled by 1930, the peak of development work, and then included some 22,000 Africans, representing one third of the Africans employed in Northern Rhodesia. However, given the territory’s very low population density (around two per square mile), it was necessary to bring workers long distances to the Copperbelt: for tens of thousands of Northern Rhodesian Africans, labour migrancy became a fundamental fact of life. Given the long distances involved, it was not practicable for migrant workers to return home very often: the journey on foot from the Copperbelt might take up to two months, while the alternative, taking motor transport, could easily swallow up eight weeks’ pay.
The BSAC’s techniques of mobilising African labour were initially very crude. In addition to imposing taxation, the Company resorted to coercion. Groups of potential labourers would be gathered together and made the responsibility of the Rhodesian Native Labour Bureau, which marched them south. In order to ensure an adequate supply of men, the Company employed hut burning and the destruction of food stores. The Company’s basic rationale, then, was to give Africans no alternative but to seek wage labour. The rapid expansion of the Copperbelt after the mid-1920s created a much greater demand for migrant labour. This was not confined to African workers. Europeans might seek better opportunities in South Africa, when conditions in the mining industry there made this possible. While skilled labour was recruited from Europeans, many of whom came from South Africa, unskilled labour was for the greater part drawn from the Northern Rhodesian African population, especially the Bemba of the North East, many of whom had worked in the Katangese mining industry. A problem with recruiting skilled labour from South Africa was that, in addition to requiring enhanced pay in order to be attracted to Northern Rhodesia, these workers were prone to bring with them the racial attitudes which had already become well-established south of the Limpopo. It is important to remember that, even with the recovery on the Copperbelt during the mid-late 1930s, the most important destination for Northern Rhodesian migrant labour continued to be Southern Rhodesia, where opportunities were created by thriving European agriculture. Moreover, once the Transvaal authorities renewed recruitment in Northern Rhodesia in 1936, the territory’s workers could again migrate to South Africa.

Among the practical problems to be addressed by the mining companies, in creating the conditions required by the new workers, were the threat of malaria and blackwater fever, challenges to African and European workers alike. By 1930, after a major programme of swamp drainage, the Copperbelt had been cleared of the main malaria vector. In addition to tackling these major public health problems, and building hospitals, the companies gradually introduced better-quality food for their workforce. These improvements were reflected in a significantly declining death rate during the 1930s. Moreover, the growth of heavily-populated urban complexes around the mines incidentally created growing demand for food, which stimulated local agricultural production, which was preferable to transporting food and other supplies long distances.
The early years of the Copperbelt's development witnessed an apparent shortage of labour. This could be seen as part of a wider problem in Tropical Africa. As Orde Browne, later the Colonial Office's Labour Adviser, wrote during the Depression, Africa, even in ‘normal’ times, suffered a persistent shortage of labour ‘to a degree that renders it a perpetual brake on the wheels of progress’.187 Before 1930, as Baldwin notes, the supply of African labour was ‘barely adequate’, especially during the busy planting and harvesting seasons. In 1931, recruitment in Northern Rhodesia for labour in Katanga ended. This partly reflected shifts in mining policy there, and partly the fact that the Northern Rhodesian government was anxious to ensure an adequate supply of labour for the Copperbelt. Thereafter, the availability of labour remained good, even after pay rates had been cut.188

One of the most controversial aspects of the labour question is the extent to which the Copperbelt producers enjoyed the important advantage of having access to cheap labour. Hargreaves, for example, states explicitly that the competitiveness of the Copperbelt mines relied upon low wages and tight labour discipline.189 However, Clarence-Smith has argued that while employers may well have operated profitably when using the system of migrant labour, this is not to say that such employers were therefore able to maximise their profits.190 In the late 1920s, when development of the Copperbelt was under way and crucial investment decisions were being taken, the mining companies did not necessarily assume that plentiful, cheap labour would be available. In the case of RST, because of the unfamiliar situation of employing untrained, and often physically impoverished, African labourers, the assumption was that labour costs in Northern Rhodesia would at least match those in the United States. This explains the attractions, to the mining companies, of limiting the size of the workforce as far as possible by relying on mechanised methods of extraction, a point made publicly by Chester Beatty in November 1929.191 In 1929, Rhodesian Anglo American prepared a report which declared ‘The question of native labour shortage will have to be met by mechanisation. This policy is, of course, all to the good from every aspect’.192 Underlying the position of the two major mining groups, as Perrings has suggested, was the close relationship between technical developments and labour policy within the mining industry.193 Although as early as 1930, the RST Group was producing very favourable assessments of the efficiency of African labour, the companies could not yet foresee the full significance of the increase in African labour productivity which would become apparent during the 1930s,
nor had it yet become clear that the Depression would force African wages down, further lowering the companies' production costs.\textsuperscript{194} Meanwhile, the firms decided that the relative ease of extraction in Northern Rhodesia, and the scale of the territory's ore-rich deposits, nevertheless made the Copperbelt a highly profitable proposition.\textsuperscript{195}

It could be argued that the actions of the colonial state during the period of the Copperbelt's early development indirectly served the mining industry's need for labour. When the Colonial Office took over responsibility for the administration of Northern Rhodesia from the BSAC, the newly-appointed Governor, Sir Herbert Stanley, embarked on policies designed to encourage the development of settler agriculture. Stanley, whose earlier career included spells in both South Africa and Southern Rhodesia, saw Northern Rhodesia primarily as a settler territory. To make this possible, it was necessary to attract more settler immigrants. This was in contrast to the BSAC's policy, which had been to see Northern Rhodesia primarily as a source of African labour, as a result of which the Company had not gone to great lengths to encourage European immigration.\textsuperscript{196} Stanley's settler-centred policy required land to be made available, which in turn required the creation of 'Native Reserves' for the displaced African population. In this process, better-quality land, conveniently close to the line-of-rail, tended to be reserved for the incoming settlers. The Native Reserves, in contrast, offered poor opportunities for African agriculture, hence their populations were obliged to enter the wage economy. A by-product of this process was therefore the creation of a supply of landless African labour, available for recruitment into the mining industry. Previously, such workers had shown a preference to migrate to Southern Rhodesia or Katanga in the neighbouring Belgian Congo. Despite their apparent advantages, Northern Rhodesia's settlers faced tough competition from Southern Rhodesia, and their attempts to cultivate tobacco in the east foundered, leading to widespread disillusionment. With the expansion of the copper industry, European farming enjoyed a revival. The rapidly growing urban workforce created fresh demand for maize and other foodstuffs.\textsuperscript{197} However, African farmers in the territory were officially discouraged from responding to this new demand, because of the colonial state's preoccupation with the 'conservation' of traditional African activities – a central, if increasingly unrealistic, tenet of British policy in Africa during the inter-war period.\textsuperscript{198}

The Depression, and the subsequent dramatic expansion of the mining industry, were accompanied by important shifts in the broad pattern of labour relations. Because large numbers of workers were
made unemployed in Southern Rhodesia and Katanga, a large reservoir of surplus labour came into being, allowing the Copperbelt mines to pursue a strategy of basing their operations on cheap, unskilled labour. In circumstances where labourers were willing to work for less than they had in the past, the idea of mechanising production no longer seemed either pressing or even relevant. The existence of surplus labour in large quantities was in itself a significant departure for Central Africa. Increasingly, the Copperbelt seemed to be imitating the kind of structures more usually found on the Witwatersrand, and to be accompanied with the kind of problems associated with South Africa’s pattern of industrialisation. As a consequence of the large-scale layoffs after 1931, the population of the Copperbelt contracted sharply. Between November 1930 and June 1933, the number of European declined from 3,600 to 1,200, while the African population fell much more dramatically from 32,000 to 9,300. Many unemployed workers either emigrated or faced destitution. After this seismic shock, African employment did not fully recover until 1938.

The stabilisation of labour

Outside the mining industry, the tendency during the 1930s was to justify low wages with the argument that African workers needed only modest cash incomes, enough to buy clothes and pay taxes. Men were paid according to the fiction that they were single, or at least, that their families remained at home in rural areas, continuing to live off their own produce. The Copperbelt mining companies paid relatively high wages, and could, arguably, afford to do this. They provided housing for both black and white employees, although this housing was segregated. The compounds and townships which mushroomed around the main Copperbelt centres were better equipped, in terms of health, housing, water and sanitation, and generally better regulated, than those provided for non-mining employees, including government workers, whose conditions continued to be circumscribed by inadequate government revenues. While the early years of the Copperbelt’s development had been accompanied by the expansion of the migrant labour system, the reality of the mining areas in the 1930s suggested that a growing proportion of African workers did not regularly return to the rural homeland, as the official view of African life fondly imagined, but in fact spent periods of increasing length close to the workplace. African workers were, it seemed, becoming increasingly ‘detribalised’. To some extent, the mining companies had good reason
to approve of this practice, including the migration to the Copperbelt of workers’ families for extended periods: prolonged settlement became associated with increased efficiency, as labour turnover declined; this in turn made additional training for Africans economically worthwhile, further adding to their efficiency. At the same time, the companies were still reluctant to accept the additional expense of providing amenities for a permanently settled urban community.

The colonial government took a broader view than the mining companies of the long-term implications of labour ‘stabilisation’. Local officials had typically learned their craft in rural communities, and saw the ‘tribe’ as the ‘natural’ focus of African life, fearing the urban, ‘semi-civilised’ African as a potential threat to colonial rule. From the political standpoint, stabilisation was thought likely to give rise to the ‘detribalisation’ of settled workers, disrupting the delicate framework of traditional political and social authority within rural communities in Northern Rhodesia. Arguably, these concerns were only intensified by the impact of the Depression, with the creation of a large urban unemployed population. Although generally fearful of the consequences of urbanisation, the government failed to produce a clear policy, still less did it possess the means to ensure that it would be implemented. As Ferguson suggests, the government’s policies perhaps embodied a degree of ‘wishful thinking’ rather than any serious attempt to engage with steadily emerging realities in the mining industry.

A fundamental objection to stabilisation was that during the 1930s, the colonial government introduced ‘indirect rule’ into rural administration. Under this system, the chiefs’ powers were enlarged to include not only the administration of justice, but also oversight of the ‘native treasuries’. This required the uninterrupted flow of remittances from migrant workers, and, in turn, assumed that the latter would continue to identify primarily with their tribal unit. In other words, the government’s stance, specifically the view that the migrant labour system was a buttress of social stability, was informed by a fusion of practical and ideological considerations. To some extent, the government’s anxieties about detribalisation resulting from labour stabilisation complemented the mining companies’ reluctance to bear the cost of housing for workers’ families and the associated expenses. Before the Second World War, the typical mineworkers’ compound consisted of ‘bachelor’ housing, suitable supposedly for the ‘temporary’ migrant. A further consideration shaping the government’s opposition to stabilisation was the belief that in time of recession on the Copperbelt,
unemployed migrant workers would be able to return ‘home’, and support themselves by traditional, agricultural means, on the further assumption that land would be available to them. While this view involved a considerable romanticisation of the resources available to the rural African population, it carried with it the opportunity for government (and, in theory, the mining companies, too) to feel absolved of any responsibility for unemployed Africans’ welfare, allowing the burden of the Depression effectively to be transferred to the rural heartland of Northern Rhodesia. Yet, during 1933, the rural areas were also badly affected when the harvests were ruined by a combination of drought and locusts. In this context, the collapse in African employment from 30,000 to 7,000 was the ‘least’ of the government’s concerns.

Strikingly entrenched after 1931 was the assumption that the copper industry’s future could not be guaranteed, and that a renewed depression might descend on the territory. When questioned in 1935 by the governor, Sir Ronald Storr, the chairman of the Rhokana Corporation, Sir Auckland Geddes, could give no assurance of indefinite employment for African workers. In a situation in which it was common to refer to mining as being a temporary industry, the government remained hesitant to formulate a clear policy on stabilisation. For their part, the mining companies were equally unwilling to make long-term commitments to provide amenities for a stabilised workforce. Given the possibility of another recession, and the fear that this might result in a new wave of unemployment, neither government nor the companies relished the prospect of having responsibility for the welfare of those workers affected. No clear lead was provided by the Colonial Office on the question of stabilisation. Conveniently deferring to the tradition of respecting the views of ‘men on the spot’, the Office essentially dodged a difficult issue in 1935 by advising the Northern Rhodesian governor, Sir Hubert Young, that a decision on stabilisation could only be based on local experience. In practice, the colonial government opted for a policy of encouraging migrant labour, for example through taxation, though it did not itself have the resources to enforce it. This policy was shaped by the government’s own financial problems and administrative limitations, as well as by its entire ‘native’ policy and shibboleth of ‘Indirect Rule’: its outlook, then, was formed by rural, not industrial, priorities.

In terms of contemporary analyses of stabilisation, a landmark publication was J. Merle Davis’ *Modern Industry and the African* (1933). Based on research in Katanga and on the Copperbelt as the Depression bit,
and partly financed by the Carnegie Corporation, the book emphasised the dramatic changes being introduced into African life by industrialisation. An early advocate of stabilisation, Davis suggested that it would help Northern Rhodesia’s rural areas to focus on the agricultural development the territory obviously needed, and give mine workers a better, less artificial quality of life, with opportunities for education and other improvements. Unlike most contemporary colonial officials, Davis and his team were willing to see a settled, urban life as something which might benefit Africans, a fundamentally ‘positive’ form of social change. This view was all the more notable because it was stated at a time when some Europeans still questioned whether Africans could continue to work efficiently in the mines for more than a few consecutive years.

Certainly, by the later 1930s it was becoming increasingly difficult to maintain the fiction that Copperbelt workers were essentially rural tribesmen, temporarily working away from their homes. But by the early 1930s, the mining companies were themselves already beginning to reassess the benefits of the migratory labour system. Needing large quantities of unskilled labour, they had accepted long-established labour patterns in the region, but they were more alive than settler farmers to the drawbacks of the system, and to the potential benefits of other practices. Thus, in 1931, the companies had introduced longer-term working contracts for African labour. While they remained reluctant to envisage a permanent, urbanised mining community, they increasingly permitted miners’ families to join them on the Copperbelt. Their reasoning was that workers would become more contented, and so less likely to desert their workplaces, as well as being better fed and so more productive. Nevertheless, as Roberts makes clear, the companies’ change of heart did not extend to providing the full range of amenities likely to encourage permanent settlement. Thus little housing suitable for children, or educational facilities, was available before the 1950s. The success of this de facto recognition by the companies of the realities of stabilisation has been detected in the steadily lengthening periods of employment in the mines, averaging five years by 1951. It is important to note, however, that the companies officially maintained the migrant labour system, and that they held onto the entrenched belief that when ill or infirm though old age, African miners should look to their home villages for support.

Taking a longer term view of developments within labour practices on the Copperbelt, Perrings has argued that government officials were already commenting in 1930 that ‘definite encouragement’ was being
given by some major employers to their workers to become, effectively, ‘detribalised’, and to stay near their workplaces for ever longer periods. An important consideration which may have influenced the mining companies’ thinking on this entire question was the example provided by neighbouring Katanga. Specifically, the new opportunities arising from mechanised mining created the possibility that the use of machinery might be cheaper than employing unskilled labour on a large scale. This would in turn require Africans to be given training in the operation of machinery, a course which would only be worthwhile financially if the newly-trained workers remained at their posts for longer periods. In the late 1920s, mechanisation was practicable in Katanga’s largely open-cast mines, encouraging Union Minière to seek a stable workforce. The company had been keen to reduce the turnover of workers by encouraging part of the workforce to settle, bringing their families with them, albeit living under conditions of strict regulation. In Northern Rhodesia, however, the copper workings were initially underground, and mechanisation was less feasible in the Copperbelt’s early stages of development. An additional complication, not borne by Union Minière, were the mineral royalties payable by the Copperbelt firms to the BSAC, representing funds which might otherwise have gone towards the costs of stabilisation. Nevertheless, by the later 1930s, the attraction to the mining companies of increasing the African component of the labour force was growing, not only because of the increased efficiency of African workers, but also because of the increasing relative expense of employing Europeans.

**The disturbances of 1935**

One of the most significant episodes of violent unrest to affect the inter-war colonial empire were the disturbances which rocked the Copperbelt in 1935. The immediate trigger was what has been called the colonial government’s ‘well-meaning’ attempt to introduce an equitable taxation regime for Northern Rhodesia’s rural and urban populations. Previously, tax liability had been calculated according to an individual’s area of origin; under the new system, tax levels would be based on workers’ current residence. In an attempt to encourage part of the swelling urban population to return to the countryside, the government decided to raise taxation levels for Copperbelt workers by some 50 per cent, at a time when the mining industry encompassed the territory’s highest wage levels. Simultaneously, tax rates in rural areas, which had already been badly hit by the Depression, were cut by
25 per cent. Unrest among the Copperbelt workers had already been building for some time, fuelled by discontent over pay, food, work practices and obvious racial discrimination. This culminated in a large-scale strike, aimed at securing higher pay and better amenities. Mineworkers’ protests turned violent, and at Roan Antelope, the local police force opened fire on a crowd, killing six strikers and wounding a further seventeen. During the episode, the Northern Rhodesian Regiment was deployed, and reinforcements were secured from the Southern Rhodesian police. South Africa also offered assistance, in the form of tear gas to be despatched by aircraft.

The colonial government seems to have been entirely unprepared for the strikes which swept through the Copperbelt in 1935. Governor Young told the Colonial Office that ‘The whole affair came so entirely unexpectedly’. It was not, as Cooper comments (noting Orde Browne’s observation in his 1938 report on Northern Rhodesia) that the colonial administration had not considered the situation of African workers, but rather that their preconceptions about the African workforce precluded any recognition that the latter might behave like their counterparts in Europe. Young was convinced that the disturbances were the result of planning by local agitators: only this, apparently, could explain the level of organisation witnessed. Given the scale and shock of the disturbances, an official inquiry was inevitable. The findings of the Commission set out the workers’ numerous complaints, and identified as the strike’s key cause the timing and manner in which the new tax regime had been introduced. The report also concluded that at the heart of the problem had been the ‘subversive’ influence of propaganda by the Jehovah’s Witnesses. The report went on to underline more basic developments taking place in Northern Rhodesia, to which the Colonial Office had scarcely begun to give adequate attention. In particular, it noted the manner in which traditional tribal authority appeared to have collapsed. The Commission came to the conclusion that a difficult choice had to be confronted: either tribal authority must be reimposed, probably involving the regular repatriation of African mineworkers to their rural homes, or the authorities would have to accept the reality of ‘detribalisation’, and the fact that the African mineworkers of the Copperbelt had been industrialised under European urban control. Governor Young regarded this as the ‘most important problem’ confronting the territory, but was reluctant to reach any definite conclusion. The Colonial Secretary, J.H. Thomas, subsequently felt inclined to agree with Governor Young’s view that the stabilisation of African workers, and, to some extent,
their ‘detribalisation’, were taking place. However, he felt that in a situation where the miners made frequent visits back to their rural homes, it was ‘desirable’ that the influence of tribal authority should, where possible, be buttressed.\textsuperscript{235} Despite the findings of the official inquiry, little effective action was taken to address the mineworkers’ grievances. The colonial government continued to regard the Copperbelt’s African workers as essentially ‘rural’, and therefore felt that a life in the urban mining areas should not be made so attractive as to encourage permanent settlement. For their part, the mining companies had little incentive to raise wages or to do much to improve living conditions at a time when large-scale unemployment provided a convenient reservoir of willing recruits.\textsuperscript{236}

**The development of labour policy**

Especially in the wake of the 1935 disturbances, but also for much of the 1930s, the Northern Rhodesian government would find itself castigated for its apparent neglect of increasingly important labour issues on the Copperbelt. Here, one practical constraint on greater government initiative was the problem of the administration’s acute financial difficulties, which were only intensified by the impact of the Depression between 1931 and 1933. The territory’s heavy reliance on the wealth generated by the copper industry arguably placed the government in a particularly delicate position.\textsuperscript{237} The Pim Report (1938) had pointed to fundamental problems in the administration of the territory, especially in relation to the Copperbelt, arising from the lack of a clear policy on labour.\textsuperscript{238} In the same year, similar views were expressed by Major Granville Orde Browne, appointed by the Colonial Office to investigate labour conditions in Northern Rhodesia. Orde Browne had previously established himself as one of the leading authorities on colonial labour conditions. His major study, *The African Labourer*, published in 1933 under the auspices of the Institute of African Languages and Cultures, had helped form his reputation as a conservative among commentators in this field. In his study of Northern Rhodesia, Orde Browne reached the conclusion that the problems raised in the territory by mining had not been addressed adequately by the colonial government.\textsuperscript{239} Neither had there been much response by Lusaka to early metropolitan initiatives to formulate a colonial labour policy in keeping with changing realities. In 1930, Lord Passfield, Colonial Secretary in the second Labour government, who was unusual for the interest he displayed in labour questions, had
informed colonial governments that the introduction of trade unionism in colonies was desirable. He had been particularly keen to remove penal sanctions for breaches of native labour contracts. This stance had evoked a hostile response from colonial governors in East and Central Africa, who argued that penal sanctions were necessary to ensure a reliable labour force. The general view, outside West Africa, was that it was unrealistic to expect migrant labourers to be able to meet civil damages when they lacked property.

By the mid-1930s, there was growing interest within the Colonial Office in encouraging colonial governments to form distinct labour departments, responsible for supervising working conditions in their territories. Some colonies which had previously had their own labour departments had been forced to close them in the wake of the retrenchment which accompanied the Depression. On this subject, the Colonial Office took an unusually tough line. In a circular despatch issued in November 1935, the Colonial Secretary, Malcolm MacDonald, urged colonial governments to arrange for regular inspections of workplaces, stressing that it was not enough for governments simply to respond by investigating complaints. He emphasised that he was especially concerned about territories where mining was developing. This metropolitan intervention triggered a conflict with the Northern Rhodesian government. Like all other colonial governments in British Africa, Northern Rhodesia’s was unenthusiastic, even though the authorities’ slender understanding of workers’ conditions had been cited as a cause of the 1935 strike. The question had been discussed with successive governors in 1932, when it was agreed that it would be desirable for Northern Rhodesia to establish a Labour Department when mining activity, then severely restricted, was resumed on a large scale. Even though production had resumed late in 1933, the government had remained unenthusiastic about extending its supervisory machinery. The Native Labour Advisory Board, appointed by Governor Young to investigate and report on the disturbances of the previous May, rejected the idea of creating a Labour Department. The Copperbelt mining companies had argued that such a department would lack adequate staff to exercise any meaningful control in rural areas, and would concentrate instead on those areas ‘least in need of supervision’, namely the mining industry. For its part, the government was inclined to think that a Labour Department might encroach on the responsibilities of the Provincial Administration, reflecting the current orthodoxy that it was the district officers’ responsibility to maintain contact with African workers. A reminder of the Lusaka
authorities’ supine position on labour policy came in 1936, when Governor Young asked the Colonial Office to engineer the removal of the compound manager at Mufulira, whose physical ill-treatment of African workers had been criticised by a commission of enquiry. Young, noting that the 1935 disturbances had started at Mufulira, wanted the manager dismissed, but for the sake of good relations between the government and the mining companies, was reluctant to force the issue himself. Appalled at the manager’s behaviour, which it thought more characteristic of practices in South African mining, the Colonial Office was mystified by the governor’s inaction.248

In August 1937, the Colonial Secretary, William Ormsby-Gore wrote to colonial governors on the subject of introducing trade unionism into the colonial territories. He was clearly dissatisfied with the entrenched belief that labour questions could be dealt with by non-dedicated branches of colonial administrations, and requested all governments to consider the creation of labour machinery, acting under an adviser.249 A further issue helping to concentrate London’s mind was that in some colonies, continuing reliance on penal sanctions to enforce labour contracts left Britain open to censure by the International Labour Organisation.250 Shortly afterwards, the Northern Rhodesian government appointed Orde Browne to investigate the territory’s labour situation. After six months’ study, he concluded that the government’s machinery for dealing with labour questions was barely more than an inspectorate. He identified a lack of mechanisms to ensure the continuing review of working conditions, and the study of the various sociological problems they raised. In keeping with a growing consensus within the Colonial Office, Orde Browne recommended the creation of a Labour Department and the appointment of a Labour Commissioner.251 In contrast, trade unionism was still seen as a long-term objective as far as the colonies were concerned: here, there was little sense of urgency among officials. When it came, it was believed, it should be built upon solid preparatory work involving the creation of appropriate government machinery and the introduction of the necessary legislation, helped, possibly, by the involvement of experienced trade unionists. Above all, the development of labour organisations was expected to be a very gradual process. Although the Colonial Office was reluctant to stimulate this development by ‘artificial’ means, it was felt that creating the right preconditions would, in time, permit ‘healthy’ movements to emerge. On these criteria, Northern Rhodesia’s failure to produce African trade unions was not seen as problematic (even within the Colonial Office, the attitude that Africans were ‘not
mentally suited’ for trade unions could still be found). Much more worrying, from the metropolitan viewpoint, was the territory’s resistance to the idea of creating a Labour Department.252

Serious unrest, rioting and a general strike in Trinidad during 1937 forced the Colonial Office to re-examine the entire question of labour policy. Against the background of fresh unrest in the Copperbelt, in August Ormsby-Gore urged colonial governments to look again at the labour legislation in their territories, and to take steps to create separate labour departments. Even at this relatively late stage, however, some Colonial Office officials still had reservations about this advice.253

In March 1938, the Colonial Office appointed Orde Browne to be its first Labour Adviser. This step had been recommended, from outside the Colonial Office, by former Colonial Under-Secretary Drummond Shiels in September 1936, in the wake of the first Copperbelt disturbances. A number of officials in the more traditional geographical departments had then objected, querying whether this was either necessary or desirable.254 In September 1938, four months after returning to the Colonial Office as Secretary of State, Malcolm MacDonald, who would initiate a fundamental reappraisal of the aims and methods of British colonial rule, issued a dispatch on labour policy, arguing that labour departments were ‘actually or potentially among the most important departments of government’.255

While the Colonial Office and the colonial governments took fitful steps towards a coherent colonial labour policy, groups of workers in the colonies were taking the initiative themselves. In late 1936, the Northern Rhodesian Mine Workers Union was formed, the direct consequence of white fears about African competition in the labour market. In 1937, after consulting the Ministry of Labour, the Colonial Office told the mining companies that they should recognise the new union once it had a membership of 55 per cent of eligible workers, not 60 per cent, as the mining companies had wanted. The union was accordingly recognised in September 1937.256 The mining companies had insisted that the union’s recognition agreement should embrace European workers only, seeing, it has been argued, the benefits of dealing with a divided, and so weakened, workforce.257 From its inception, the Mine Workers Union insisted on the principle of ‘equal pay for equal work’, long-established in South Africa as a means of barring African workers from particular categories of work.258 This was also a well-entrenched principle of trade unionism, intended to prevent employers using cheap labour. In the Northern Rhodesian context, ‘cheap’ labour meant African labour. On the Copperbelt, it
was the norm to employ Africans at rates much lower than those payable to European workers. No employer would pay Africans the same rate as Europeans in a situation of abundant African labour, willing to accept lower pay. The mining companies opposed the ‘equal pay’ principle, and were supported by the Northern Rhodesian government, which feared that the new union would obstruct African advancement by insisting on equal pay, while securing control of the African labour movement. For Europeans on the Copperbelt, who felt that their future in the territory was at stake, equal pay for equal work was a principle of cardinal importance. Here, the influence of South African white immigrants was strong. They brought with them memories of the Rand strike of 1922, triggered by the practice of employing semi-skilled Africans at low wages. Collective action then had blocked the introduction of ‘cheap’ labour. As Berger notes, this attitude was accompanied by a deepening belief within the MWU that, while relations with the mining companies were good, the government was liable to support the Africans in situations where African and European interests conflicted. Ironically, the militancy and effective strategies adopted by the European mineworkers would provide a powerful example to their African counterparts when they, too, began to mobilise during the Second World War.

The creation of the Mine Workers Union, linked to its South African counterpart, was not in itself problematic for either the mining companies or the government. What both feared, however, was the introduction into Northern Rhodesia of the strident militancy of the South African trade unions, and the likely pressure for a formalised ‘colour bar’ on the Copperbelt. In the mining industry, the memory of the abrupt shedding of workers in 1931, the fact that these dismissals had created opportunities for some Africans to make significant progress, and entrenched fears that a fresh Depression was imminent, helped foster a spirit of militancy among European workers, whose numbers included swollen numbers of South Africans, attracted by the Copperbelt’s revived fortunes after 1935. A further irritant, as far as the European workers were concerned, was the existence of a relatively ‘enlightened’ labour regime in neighbouring Katanga, where it was possible for Africans to perform skilled work for wages lower than those paid to their white counterparts. All of these factors together heightened the sense of insecurity prevalent among the European workers, explaining, in part, their adamant opposition to what would become known as ‘African advancement’: they watched with deepening suspicion when Africans in the industry took any small progressive
steps. Nevertheless, it was primarily in order to reduce labour costs that the mining companies were keen, immediately prior to the Second World War, to enable Africans to do work previously the preserve of European labour. After 1937, when a pension and bonus scheme was introduced for Europeans, the cost of European labour relative to African labour had risen significantly. Moreover, as the turnover of African workers on the Copperbelt declined, and as African expertise increased, the mining companies became increasingly attracted to replacing European labour with its cheaper African equivalent. By extension, as African wages rose, so the mining companies had an enhanced incentive to employ African labour in the most efficient manner possible.

It has been argued that the Colonial Office’s developing interest in promoting trade unionism in the 1930s had two major functions: to induce colonial workers to become involved in the bargaining process over working conditions, and to obstruct the development of secret, and therefore potentially dangerous, political organisations among workers. These were the core issues raised by the dispatches issued by Passfield in September 1930 and Ormsby-Gore in August 1937. Among colonial officials, including Orde Browne, the conventional wisdom in the late 1930s was that Africans were still ‘unprepared’ for the development of labour organisations, on the assumption that they were still largely ‘primitive’ and ‘uneducated’. Among the few exceptions to this estimate of African capacities were the views of Christian missionaries, especially the United Missions in the Copperbelt, a Protestant group formed in 1936. The activities of some of these groups, and the investigations which they sponsored, seemed to the mining companies to stray beyond what was ‘appropriate’ for missionaries.

Early attempts to promote the organisation of African workers can be traced to the establishment in 1931 of a ‘Council of Tribal Elders’ by the compound manager at Roan Antelope, whose members were often related to hereditary rural chiefs. This innovation was later taken up and adapted elsewhere on the Copperbelt. The ‘Elders’ were seen as intermediaries in private disputes between Africans, and collectively met compound managers to be given information, or to air workers’ grievances. This placed the councils in a potentially awkward, dual role, particularly as they could be seen to be exercising control over the mine compounds. Many workers came to see them as mouthpieces of the mining companies, while the latter were not always clear on the value of the councils. As the labour leader and future nationalist Lawrence Katilungu commented, ‘The traditional medium of African
administration soon lost its impact in an urban setting’. Similarly, Ronald Prain of RST later conceded that this system had been inadequate, and that the Elders were in effect being asked to perform an ‘impossible’ task.\textsuperscript{268} Meanwhile, despite continuing assumptions about Africans’ lack of ‘fitness’ to participate in trade unions, the strikes of 1935 had shown that African mineworkers were aware of their common interests, and could orchestrate collective action to pursue their demands. In the aftermath of the strikes, both the mine managements and the colonial government responded by attempting to reinforce the ‘tribal’ structures on the Copperbelt, even though these had been ‘singularly ineffective’ during the strikes. In 1937, a system of tribal elders was introduced at Mufulira, and in the following year urban advisory councils, composed largely of nominated elders were created, although these were given no role in labour relations.\textsuperscript{269}
Wartime Mobilisation

Wartime demand

The Second World War, and the economic problems which it produced, led to a sustained attempt by Britain to achieve imperial economic integration. The war provided an unprecedented stimulus to mineral development in colonial Africa. The demands of total war required parallel efforts to maximise the production of African minerals. In this sense, Britain’s African colonies amply fulfilled the criterion of being indispensable to the wartime British economy. As war loomed in August 1939, the colonies had received advice from the Colonial Office on the kind of measures needed to control their trade and foreign exchange expenditure. With the outbreak of war, the Emergency Powers (Defence) Act was applied to the colonial empire. This empowered colonial governments, inter alia, to expand the supply of food and raw materials to Britain and its allies, and to take measures intended to prevent colonial exports falling into enemy hands. In June 1940, at arguably the bleakest phase in the war for Britain, the extent of colonial economic controls was widened. All colonies were encouraged to focus their energies on production beneficial to the metropole:

...in the economic sphere the general aim should be to bring to the maximum the positive contribution of the colonies to the immediate war effort in the way of supplies; and to reduce to the minimum their demand on the resources in men, materials and money which are, or might be, made available to this country either at home or overseas. In particular... colonies which produce raw materials of importance to the war effort, including of course those
sold for ‘hard’ currencies, should aim at maintenance and increase of production at whatever level may be indicated from time to time as being necessitated by Allied requirements.³

Industrial diamonds from the Gold Coast, and tin from Nigeria (following the loss of supplies from occupied South-east Asia) were just two of the commodities increasingly in demand.⁴ Following the loss of Far Eastern sources of raw materials early in 1942, as the Japanese offensive achieved one stunning success after another, the Colonial Secretary had telegraphed colonial governments in Africa, advising them that demand for most African products now had a ‘new urgency and a new reality’. As Cranborne put it, without exaggeration, ‘The foodstuffs and minerals of the African Dependencies have become a vast armoury for the war effort’.⁵ As Harold Macmillan, Parliamentary Under-Secretary of State at the Colonial Office, told the Commons in June 1942, ‘we need to increase Colonial production for war purposes on an immense scale’. Where minerals were concerned, he added, ‘we are the servants, and the Ministries of Supply and Aircraft Production are the masters’.⁶

During the war, Northern Rhodesia’s copper, coming from a region apparently remote from enemy action, became a prized asset in the Allied war effort. The Belgian Congo offered another valuable source of supply. Copper became more precious as Britain’s own stocks and dollar reserves became exhausted. Early in the war, more than half of Britain’s copper imports came from North America, but by 1945, nearly 68 per cent of Britain’s copper supplies came from Northern Rhodesia, making the territory by far the Allies’ most important source of supply.⁷ Copper was a key strategic mineral, more important as a resource during the Second World War than in any previous conflict. While approximately half the copper used by the Allies found its way into shells and ammunition, a large part of the rest was needed in the ever-expanding volume of electrical equipment demanded by modern warfare. In 1942, experts calculated that a single bomber required around two miles of copper wiring, while a battleship contained something like two million pounds of copper. The Allies were fortunate in that between them they controlled most of the world’s major sources of copper, but their sheer demand nevertheless sometimes threatened to outstrip supplies and the metal had to be rationed.⁸ For Nazi Germany, the situation was potentially more serious: early in the war, it was already apparent that if rearmament continued at the levels expected by Hitler, the regime’s resources of copper and other non-ferrous metals would quickly be exhausted.⁹
Before the United States entered the war, complacency about the future availability of key raw materials convinced the American military authorities that any foreseeable demand could comfortably be met. Following Pearl Harbor, Washington acted to promote the rapid production of the maximum possible amount of copper. In January 1942, Britain and the United States created the Combined Materials Board, which pooled and conserved scarce materials. Initially, Washington was concerned to boost domestic production of copper, but in April 1943, Roosevelt called for the maximum possible imports of copper produced overseas. A major exporter of copper between the wars, the United States became a significant importer of the metal: by 1943, 23 per cent of American consumption was purchased abroad. 

With the outbreak of war, the colonies became subject to a wide array of economic and financial controls, mirroring those devised for the metropole. Colonial imports and exports were subjected to a system of licensing, and the colonies’ share of increasingly scarce merchant shipping space was rationed. In contrast to the earlier phase of the Copperbelt’s development, the war introduced extensive government intervention in the operations of the copper industry. Even before the outbreak of war, steps had been taken by the imperial government to ensure an adequate flow of essential raw materials. In July 1939 the Ministry of Supply was created, responsible for allocating a wide range of commodities. From October 1939 onwards, with the closure of the London Metal Exchange and the disappearance of the free market, the Ministry became responsible for making arrangements with producers in Canada and Northern Rhodesia for the bulk purchase of copper. The British Metal Corporation, a private marketing organisation, established in 1918, on which the government had been represented, was taken over by the British government, and its managing director, Oliver Lyttelton, a future Colonial Secretary, was appointed Controller of Non-Ferrous Metals, with headquarters in Rugby. An example of the incorporation of business expertise into the wartime Civil Service, this organisation drew its staff from a variety of City broking and merchanting firms.

Under plans drawn up in peacetime, a scheme was implemented for the bulk-purchase of copper by the British government, at fixed prices, for the duration of the war. Key to this scheme was the desire to avoid the kind of raw material price increases experienced during the First World War. It was received wisdom that any hint that government was interested in a particular commodity was enough to trigger a price rise. The BMC issued annual contracts under which the whole of
Northern Rhodesia’s copper output was bought. Initially, this involved purchasing 20,000 long tons of copper per month, although this was not seen as being the maximum amount that the Copperbelt could produce: provided that staff and labour needs could be met, further expansion was thought possible. The bulk-buying agreement included a price escalation clause, which allowed for rising costs. However, the basic price was £62 per long ton of electrolytic copper, a figure based on the LME price quoted on the day before the war broke out. The First World War, however, cast a long shadow over such arrangements. For example, in December 1939 the Ministry of Supply noted that since the outbreak of war, it had been selling copper at a price only slightly above what it paid its producers, thereby incurring a ‘substantial’ loss. Although the Ministry increased the prices it charged for copper late in 1939, it remained sensitive to possible allegations of ‘profiteering’. The Ministry of Supply’s wartime copper-purchasing arrangements were unique. Separate contracts were concluded with the various copper companies. Initially, these were for specified quantities of copper at a certain price. In 1940, when larger quantities were required, supplementary contracts were arranged for deliveries of copper at a higher price than under the main contract. When the mining companies found themselves unable to fulfil the contracts with their existing plant, the Ministry supplied part of the capital needed to expand capacity on the Copperbelt, making Northern Rhodesia the only source of copper to receive help from the British government in this way. In return, all the copper produced was delivered under the terms of the main contract, and the supplementary contracts were cancelled. Moreover, the mining companies undertook to maintain the new capacity so that maximum production could be resumed at any time within six years of the end of the war.

Wartime bulk purchase of colonial commodities was inspired by two very different considerations. First, there were commodities in oversupply, which, without government ‘rescue’ initiatives, might have faced a complete market collapse, leading to serious distress among colonial producers. The second case, which included minerals in short-supply, such as copper, applied where government purchase was necessary in order to secure full control over available resources. Bulk-purchasing of copper differed significantly in character from the arrangements made with other colonial producers, for example peasant farmers in West Africa, where state agencies were established to act as intermediaries between farmers and the British government. In the case of copper, with so few producers being involved (in effect two major
groups of mining companies), the Ministry of Supply found it possible and convenient to buy direct from them. Producers and the state were therefore brought together in a direct and close relationship through which both prices and production were regulated. The two major mining concerns, RST and Rhodesian Anglo American, acquiesced in a wartime system of control which emphasised maximum production rather than profit. Although the bulk-purchasing system allowed the Copperbelt mines to operate profitably, it restricted the industry’s capacity to re-invest its profits in new plant and equipment. Moreover, high taxation and price inelasticity arguably operated to frustrate entrepreneurial initiative.

In practice, the real price of copper declined after 1940, and the stability introduced by bulk-purchasing (in terms of secure markets and guaranteed prices) was offset both by increases in production costs and in the wholesale price index. Nevertheless, as The Economist calculated in 1942, the mining companies’ costs were little more than half the price they received for their copper, enabling them to expand production in the war’s early years, some of this expansion being assisted by the British government. The wartime arrangements were clearly to the advantage of the British economy: as with similar schemes applied to other key colonial commodities, they ensured a continuous supply of copper at the lowest prices. Northern Rhodesia’s copper saved Britain millions of pounds (Lyttelton later claimed that bulk purchases of colonial base metals, including copper, had saved the country some £250 million). In view of the vital importance of the copper industry to Northern Rhodesia, its seems startling that neither the Northern Rhodesian government nor the Colonial Office appears to have been aware of the details of the Ministry of Supply’s contracts with the mining companies. An example, perhaps, of the Colonial Office’s relative lack of political clout within the Whitehall hierarchy, this also suggests that the Ministry of Supply, many of whose key officials were businessmen, preferred to keep their lines of communication with the mining companies uncluttered: each side in the relationship, after all, ‘spoke the same language’.

Given the complex pattern of company ownership, and interlocking interests on the Copperbelt, the financial stringency which gained ground as the war progressed could produce unexpected consequences. As Britain’s dollar reserves dwindled in 1941, and pressure mounted to liquidate overseas assets, the Bank of England approached Selection Trust regarding the latter’s holdings in the American Metal Company. The Trust was warned that it would either have to liquidate its
holdings or provide a strong counter-argument. RST’s managing direc-
tor, A.D. Storke, explained that Selection Trust controlled 50 per cent
of Rhodesian Selection Trust, which in turn controlled Mufulira and
had a large stake in Roan Antelope. If Selection Trust’s American hold-
ings were liquidated, AMC would effectively assume a large measure of
control of these two mines, whose operations, the Trust emphasised,
were conducted not only in the interests of the companies themselves,
but also of both Britain and Northern Rhodesia. Having considered
the Trust’s case for special treatment, the Bank decided not to pursue
the matter.31

Production

In the early phase of the war, the Copperbelt produced as much copper
as possible. Northern Rhodesia struggled to meet the production
targets imposed by the Ministry of Supply but escaped the ‘concentra-
tion’ schemes imposed in other colonies, involving the closure of
mines, necessitated by inadequate supplies and labour shortages.32
In 1940, Governor Maybin warned that the mines had almost reached
maximum possible expansion (a plausible view, given the mining com-
panies’ current opinions). In autumn 1940, the Ministry of Supply
decided to buy 10,500 tons of electrolytic copper per month from the
Belgian Congo, almost half to be refined in Africa and the remainder in
the United States. It was hoped that this arrangement would enable the
Ministry to reduce its purchases from Northern Rhodesia by 6,000 tons
per month, taking some pressure off the Copperbelt, not least the
strain on its workforce. As it transpired, the expectation that less
Northern Rhodesian copper would be needed was based on the mis-
taken assumption that the Ministry could buy additional copper from
South America. In practice, however, the Treasury blocked this pro-
posed expenditure of scarce dollars.33 Although, especially early in the
war, the Ministry of Supply consumed as much Northern Rhodesian
copper as it could obtain, it was willing to make allowances for
the stresses this imposed on the Copperbelt. In March 1941, for
example, following appeals from the mining companies, the Ministry
reduced its requirements to 240,000 tons a year.34 Production reached
its wartime peak in 1943 at 251,000 long tons (compared with
213,000 long tons in 1938), when total world production was esti-
mated to be 2,295,000 tons.35 Thereafter, further expansion was
constrained both by the companies’ capacity (especially the shortage of
the capital required to improve efficiency), transport problems and
worsening shortages of coal from Southern Rhodesia. For much of the war, labour unrest was a continuing potential threat to uninterrupted or enhanced production.\textsuperscript{36}

Given the overriding emphasis on production, virtually no prospecting for fresh copper deposits took place during the war, efforts instead being concentrated on maintaining production from the four existing mines.\textsuperscript{37} One of the practical problems raised by increased wartime production was that Northern Rhodesian copper had to cross the Atlantic twice, once to the United States to be refined, and then to Britain, a clear disadvantage given the wartime limits on shipping space.\textsuperscript{38} This led Rhokana to seek government assistance to expand refining capacity at Nkana, at an estimated cost of £230,000. The plant at Nkana had already received £240,000 from the Colonial Development Fund in 1934. The Ministry of Supply strongly supported the proposal, on the grounds that it was currently having to have large quantities of blister copper refined in the United States, which was expensive in terms both of dollars and shipping space.\textsuperscript{39} Although the Rhokana scheme seemed to the Colonial Office to be eligible for further CDF assistance, an application to the Colonial Development Advisory Committee would inevitably involve delays, whereas the Ministry of Supply was keen to get on with the scheme quickly.\textsuperscript{40} The Treasury, reasoning that the proposal would not impose great demands on metropolitan labour or machine capacity, and might have commercial value after the war, eventually agreed that the Ministry should lend the money to Rhokana.\textsuperscript{41}

In 1943, the Ministry of Supply loaned £750,000 to RAA to enable operations at Nchanga mine to be expanded.\textsuperscript{42} The Ministry was willing to do this because not until the second half of 1943 did the Allies’ supply of copper match their combined consumption.\textsuperscript{43} Moreover, in 1943, Britain was required once again to pay cash for certain US raw materials, including copper, which Washington made ineligible for Lend-Lease treatment.\textsuperscript{44} The US authorities did, however, promise to give special consideration to Nchanga’s need for equipment.\textsuperscript{45} Nchanga’s output rose spectacularly, from 6,000 tons in 1940 to 20,000 tons in 1944, although the resulting profits were offset by wartime taxation.\textsuperscript{46} One of the conditions under which the Ministry of Supply gave financial help for expanded production was that the Ministry could give notice to discontinue such expansion. By autumn 1943, it seemed that Nchanga’s increased output would not become available for at least a year, and the Ministry concluded that the extra production of 20,000 tons was no longer vital. It was also feared that
Nchanga’s expansion would only add to the problem of post-war over-capacity within the copper industry. The Ministry of Supply was therefore anxious to open negotiations to discontinue the expansion work.\footnote{47}

By late 1943, both mining groups on the Copperbelt were producing at a higher rate than they thought desirable. Simultaneously, it was being suggested that efficiency had declined to 60 per cent of its pre-war figure, aggravated by the working of lower-grade ores. In the short-term, this was not a problem for the companies, since the Ministry of Supply was meeting the whole cost of this inefficiency, because the price it paid rose as the costs of production increased, but in the longer-term, this fall in efficiency was of serious concern to the industry (and, by extension, to Northern Rhodesia).\footnote{48} Inevitably, this problem exposed divergences in the views of management and labour. Earlier in 1943, the Northern Rhodesian government had been concerned that many mineworkers felt that the mines were being operated with an eye to post-war conditions. They were suspicious of the cut in production, and accused mine managers of concentrating on development work so as to improve their prospects of producing more economically after the war. It had not helped that Roan’s recent annual report had referred to the need to introduce considerable changes in mining methods.\footnote{49} In contrast, the companies felt that too much production work had been done at the expense of development work, creating dangerous conditions in the mines. By the beginning of 1943, therefore, the mining companies were confronted by a range of problems.\footnote{50} In April, Ronald Prain (the newly-appointed managing director of RST) visited Northern Rhodesia to investigate the impact of war on the industry and to make contact with the colonial government. At that time, RST’s mines were still under instructions from the British government to continue maximum production. Prain discovered that the shortage of skilled men meant that this could not be reconciled with essential development work, and that eventually RST would be forced to request a cut in production to allow development work to proceed. This situation continued for the first nine months of 1944, with maximum production continuing and the development position being endangered further.\footnote{51} Introducing a theme to which he would often return in later years, Prain warned against assuming that the mining industry would be a permanent feature of the Northern Rhodesian economy. He emphasised particularly that current production levels could not continue after the war.\footnote{52}
Labour

Demand for Northern Rhodesian copper led both to a steep increase in the Copperbelt’s labour force, and to unusual pressures on these workers. Nevertheless, unlike the settler-controlled farming industry in Northern Rhodesia, the copper industry was never obliged to resort to forced labour, as was disastrously the case in the tin mines of Nigeria during the war. However, the sheer expansion in the workforce placed strain’s on the territory’s capacity to produce adequate food. A poor harvest in 1941 raised the danger that maize would have to be rationed to one-third its normal amount, which in turn threatened serious consequences for labour and copper production. The governor sought the Colonial Office’s help in securing South African maize from the Ministry of Supply. Already in the later 1930s, an expanding population had strained the capacity of African-held land to support those living on it. Combined with the growing problem of urban unemployment, as men migrated to the Copperbelt in search of work, this demanded new solutions. One such was the land resettlement scheme, introduced in 1941, intended to increase the amount of land available specifically for African cultivation. This helped ease the problem without completely eradicating it. Food shortages, and the resulting cuts in rations to mineworkers, could aggravate an already difficult labour situation. Strikes triggered by such cuts occurred in Southern Rhodesia in 1942 and among sawmill workers in Northern Rhodesia in 1943. In 1942, an African Labour Corps was formed with the Colonial Office’s approval. African workers were conscripted, under military discipline, and hired out as labour squads to farmers facing labour shortage, but such mechanisms were not needed on the Copperbelt.

To meet the Ministry of Supply’s needs, the mining companies argued that it was essential for the labour supply to be maintained. With the Colonial Office’s approval, the Governor of Northern Rhodesia invoked emergency powers to forbid those in essential industries from leaving the territory without permission. He also visited the Copperbelt early in the war to meet mineworkers’ leaders and to explain to them the vital importance to the war effort of maintaining production. These points were elaborated further when the Governor addressed the Legislative Council in November 1939. At the beginning of the war, the mining companies had also sought assurances that they would be free to recruit labour in Nyasaland, if necessary, if there were ‘difficulties’ with European labour. Insisting that this information
must not be made public, the companies felt that Nyasa workers had proven their skill and capacity to be trained to do semi-skilled or skilled work currently performed by Europeans. This suggests not only that the companies were preparing, at an early stage, to wrestle with the hugely controversial issue of ‘African advancement’; their request points also to a curious breakdown in communications between the firms and government on a critically important issue: according to the Governor, the ban on recruiting Nyasas had been lifted almost a year previously.59

By 1943 (the peak of wartime production), there were 3,400 European and 36,000 African mineworkers (compared with 2,600 and 24,000 respectively in 1939).60 Nevertheless, because of wartime mobilisation, European labour was scarce, enhancing the MWU’s bargaining position. Many of the union’s members were relatively recent recruits from South Africa, and held firm views on critically important questions such as the ‘colour bar’.61 While the war brought more Africans into the mining workforce than ever before, and African recruitment remained buoyant, the declining number of European workers was a continuing problem.62 Moreover, added to the existing sources of resentment among the workforce was discontent among those workers barred by emergency regulations from leaving their jobs to perform military service.63 During the war, the MWU became an important political force in its own right, and discovered a new power to exert influence on the government to safeguard its members’ interests.64

The war exposed inadequacies in government labour policy, especially regarding the cost of living problem (encountered throughout the colonial empire), the ‘stabilisation’ of labour and African advancement. According to a critical view, Lusaka was unable to resolve these problems, or even to recognise their existence, despite early warnings.65 Between 1939 and 1946, living costs increased severely – for Europeans by 36 per cent, for Africans by up to 90 per cent.66 As early as February 1940, Gore Browne warned London that the cost of living question might cause problems.67 Governor Maybin, showing considerable prescience, argued in March 1940 that whatever actions the government took, artificial barriers to African advancement were ‘bound eventually to fail’. He drew on experiences of the pre-war Gold Coast cocoa hold-up and Nigerian mining strikes to argue that Africans had shown a capacity to combine. Resistance to African aims in Central Africa would, he thought, have the same outcome, and the Africans would win. A policy of ‘parallel development’ therefore offered no long-term solution.68 Maybin suggested that the situation could be eased by the
gradual integration of employment opportunities along the line of rail, while openings for Africans were provided in reserves. Maybin’s gradualist approach was to be overtaken by the crisis which gripped the Copperbelt during 1940, involving successive strikes by the European and African workers.69

Wartime labour shortages strengthened the hand of the MWU. Europeans miners, suffering cost of living increases, felt that the time was ripe for action on pay. Expecting a post-war slump, and fearing that their chance would evaporate along with rising unemployment, they believed that they could not delay taking action.70 The miners at Mufulira formed a Committee of Action in March 1940. Convinced that the mining companies were profiting handsomely from the war, because of the assumed increase in wartime copper prices, the miners called for a pay rise and improved overtime payments and housing, together with government action to investigate silicosis.71 When the Mufulira miners began their strike, they were soon followed by workers at Nkana. The European miners achieved most of their demands, including a five per cent pay rise.72 However, the strikes appear to have taken the Northern Rhodesian government completely by surprise. Only two weeks before the outbreak of the European strike, Sir John Maybin had given the Colonial Office a reassuring account of the security situation on the Copperbelt.73 The subsequent eruption of militancy by African mineworkers is often seen as having been inspired by this successful European precedent. During the Depression, their wages had been cut, and despite the rise in living costs, and the fact that the mining companies were now making sizeable profits, these cuts had not been restored. Although African workers received free food, housing and medical services, their basic wages remained low and working conditions had deteriorated since the outbreak of war. Equally important to African workers, however, was the question of the ‘colour bar’, and the racial assumptions upon which it was based. On 28 March 1940, 15,000 African workers struck. The ensuing violence led to 13 Africans being killed and 71 wounded by government forces. Shortly afterwards, the African strike disintegrated.74

The African strike in particular raised the question of the proper response by government. The Colonial Office was relieved that Maybin had elected not to visit Nkana to intervene personally, a step which officials judged would have been inappropriate. The Office certainly thought it important that African workers should not be left feeling that the government was indifferent to their position, once they had returned to work, but it stressed the need for the government to
remain, and appear to be, impartial. Officials had therefore questioned
the role of the Secretary for Native Affairs in helping Africans formulate
their complaints and putting them to management.\textsuperscript{75} In London,
the interest evoked by the strikes proved short-lived. Questions were
asked in the Commons, letters published in \textit{The Times}, and lobbying
conducted by the new Fabian Colonial Bureau, but none of this was
enough to achieve a fundamental change in government policy.\textsuperscript{76} The
Colonial Office was of course concerned, but clung to its existing
framework of thinking on African social development.\textsuperscript{77} It is notable
that among metropolitan commentators, the situation in Northern
Rhodesia evoked complex responses. Rita Hinden of the FCB, otherwise
so critical of the Copperbelt’s development and the management of
the wealth it created, and concerned about the social dislocation,
disruption of tribal life and negative effects on agriculture caused
by mining, conceded that labour conditions there were ‘relatively
humane’. In contrast to Nigeria there was no forced labour, and con-
ditions, at least in the larger mines, were good.\textsuperscript{78}

\textbf{African advancement and the ‘colour bar’}

The 1940 strikes crystallised two issues which would come to dominate
Northern Rhodesian industrial relations: the disparity between African
and European wages; and the restrictive practices which made the
colour bar possible, along with the white racist attitudes which under-
pinned them.\textsuperscript{79} Gore Browne, impressed by the efficient organisation
of the African strike, was convinced that the strike had been triggered
less by a demand for better conditions, than by a growing African
awareness of the gap between the wages of the European, however
inefficient, and the African, however competent. At heart, he thought,
the strike had been against the colour bar.\textsuperscript{80} In view of the influx of
South African mining personnel into the Copperbelt, and the anti-
British sentiment then gaining strength among South Africa’s
Afrikaner community, the strikes raised further questions about the
reliability, from a security point of view, of Northern Rhodesia’s mine
managers. Officials were reassured by a report from the Provincial
Commissioner of Northern Province (which included the Copperbelt)
that none of the current managers was South African, and all were
‘loyal and pro-British’.\textsuperscript{81} The resulting Commission of Enquiry into the
1940 disturbances, chaired by Sir John Forster, seemed taken aback by
the extent of African workers’ grievances. In addition to concerns over
pay and conditions, many Africans were increasingly resentful of the
‘colour bar’, and the fact that this obstructed their career advancement. Seeing themselves not as migrant workers, but as permanent, settled mineworkers, they understandably sought opportunities for promotion. A dangerous dichotomy was developing on the Copperbelt between two groups of increasingly militant employees, one white and one African. Neither government nor business appeared to have a solution to this situation. The Forster Commission examined the structure of African wages, concluding that in 1940 these were actually lower than those applying when the Copperbelt was being developed. It successfully recommended some wage raises for African workers, but the companies refused to abandon the colour bar, leading some officials to fear future racial conflict. The Commission also found that, in the years immediately preceding the war, conditions for mine workers had been allowed to deteriorate, an example being overcrowding at the Nkana and Kitwe compounds.

Following the investigations of the Forster Commission, the Colonial Office decided that the Northern Rhodesian government should be responsible for supervising the revision of wages rates in the mining industry. Local officials, however, had no experience of this kind of work, and looked to the mining companies themselves to devise a plan. The mining companies, who resented government pressure to improve wages and conditions, relented after discussions between company directors and the Colonial Office in London. The London headquarters of the mining groups at last gave local managers authorisation to do this. A plan was drawn up, providing for selective pay increases for four new categories of African worker. Although this was less than Lusaka hoped for, the government accepted it, so that the settlement could be announced to coincide with Forster Commission’s Report. The Forster Commission’s report convinced the Colonial Office that the Northern Rhodesian government had to expand its Labour Department, especially by appointing labour officers to work on the Copperbelt. Lusaka had created a Labour Department in 1940, although, initially, its officers lacked statutory powers. Given that the Copperbelt enjoyed the highest wage rates in the territory, there seemed to officials to be no pressing reason to pursue wage increases, and the Labour Department remained preoccupied with working conditions in the industry. It was only after the Forster Commission had completed its work, and in the face of obvious wartime price increases, that the government decided to investigate cost of living increases for Africans working on the Copperbelt. The resulting preliminary report, issued in 1943, estimated that the average
monthly income of a mineworker's family was £4.14s.7d., while the minimum income necessary to support a family with two children was £6.11s.7d. However, seeing this as an unrealistic target, officials chose not to publish the report.\textsuperscript{89}

Critically important to the labour situation was the agreement on the dilution of labour, extracted by the MWU in July 1940, under which both companies and the union agreed that any wartime dilution would be subject to consultation. Moreover, after the war, working arrangements would revert to the practices applying before the agreement. With the imperial government desperate above all to maintain production, and so reluctant to intervene, the union succeeded in preserving its members' already considerable privileges.\textsuperscript{90} In return for its temporary acquiescence in dilution, the MWU was able, in September 1941, to secure a ‘closed shop’, with the understanding that after the war, any European non-managerial employee who refused to join the union would be dismissed.\textsuperscript{91} To ensure continued production, the British government had effectively instructed the companies to comply with the MWU’s demands.\textsuperscript{92} When it had seemed that the Union, using the war as a pretext to secure its members' position, would call a strike if its demands were not met, the companies had sought the government’s advice. The Ministry of Supply, already concerned about slippages in deliveries, was anxious that Northern Rhodesia should adhere to its production programme. Any stoppage longer than two months seemed unthinkable. For their part, the companies, while anxious to avoid a confrontation with the MWU, felt there was a limit to the extent to which they could accommodate the Union.\textsuperscript{93}

Within the Colonial Office, there was considerable sympathy for the mining companies, who it was thought had been constructive over issues such as pay. Nevertheless, ‘drastic measures’ seemed to be necessary to eliminate the more radical element within the MWU.\textsuperscript{94} The action of the MWU in exploiting its wartime advantage evoked sharply contrasting views within the Colonial Office. According to one perspective, the union was effectively blackmailing the mining companies, and the notion that government should remain detached seemed inappropriate in wartime conditions: were a similar situation to arise in Britain, the result would probably be tight government controls. On the Copperbelt, it was suggested, the companies needed the support of the local government and the Colonial Office, who should both take a ‘firm’ stand.\textsuperscript{95} Senior opinion within the Office, however, was more flexible: the question of the ‘closed shop’ had to be
considered from a practical standpoint. Recalling the 1940 disturbances, the possibility of industrial unrest sparking serious racial conflict was always present. Violence, resulting from a strike in pursuit of a closed shop, would be disastrous, involving a drain on military resources at a time when troops could not be spared. Nor was it realistic to assume that Lusaka could call on South African military help: it was doubtful that South African soldiers would be willing to fire on white South African miners in the territory.96 The atmosphere on the Copperbelt in the summer of 1941 remained tense. Sir Ernest Oppenheimer observed that the trade unions had become too powerful, and predicted ‘a showdown, sooner or later’: it would, he thought, be like ‘1922 on the Rand’.97

Following the publication of the Forster Report, the British government announced in April 1941 that it was hoped that in due course, discussions could commence with the MWU on the question of African advancement. Progress, however, was glacier-like. The Northern Rhodesian government accepted that discussions were necessary in order to achieve some advancement for African workers, which would have to be at the expense of European workers. The summer of 1941 seemed an inopportune time to initiate talks, given the likelihood of strenuous European resistance; moreover, discussions might be counter-productive, underlining the limited progress Africans had already achieved, and so generating even greater European determination to reverse this process. Northern Rhodesia’s Labour Commissioner had found mine officials most reluctant to discuss the question informally, in case this alarmed their European workers. Accordingly, the government chose not to force the issue. Governor Maybin, who feared that opening the advancement issue would only aggravate relations with the MWU, without achieving much in practical terms, argued forcefully that the entire question should be shelved until after the war. However, to announce this publicly would, as the Colonial Office pointed out, risk antagonising African opinion.98 The British government’s delay in addressing the issue of the colour bar had already drawn a public rebuke from the highly respected Reader in Colonial Administration at Oxford, Margery Perham. Accepting that it was no longer ‘practical politics’ for London to challenge the colour bar in Southern Rhodesia, she asked whether the British government now intended to condone its development in Northern Rhodesia. Arguing that the colour bar was inconsistent with statements the British government had made to distinguish the colonial territories from Nazi-occupied countries, as well as with policy elsewhere in British Africa,
she suggested that there was still an opportunity to impose a barrier to the colour bar on the Zambezi, and that postponing the issue would only strengthen the position of white labour.99

As tension on the Copperbelt increased during summer 1941, the idea was canvassed of sending an experienced British trade unionist to strengthen the Northern Rhodesian Labour Department. Despite Lusaka’s fears that the MWU might see this as provocative, the Colonial Office was keen to prevent the union using the war as a means of consolidating its position ‘on South African lines’, becoming so firmly entrenched as to make the prospects of African advancement even more remote.100 Moreover, in the wake of the 1940 strike, when the union appeared to have lost control of its more militant members, the Northern Rhodesian government was willing to appease the MWU, strengthening the latter’s position, and so reducing the likelihood of further unrest. The fact that wartime conditions created opportunities for white trade unionists, notably Roy Welensky, to gain a high political profile, and the fact that the government had been seen to concede to union demands over the colour bar, can be seen as creating dangerous precedents for the conduct of industrial relations in the post-war period.101

Although the 1940 strikes obliged the authorities to pay close attention to the future of African industrial workers, it also ironically resulted in the creation of the colour bar, with no protests from either the Northern Rhodesian government or the Colonial Office. This stance has usually been attributed to the sacrificing by officials of any commitment to equality given the overriding importance of securing uninterrupted supplies of copper for the war effort.102 In 1941, Arthur Creech Jones insisted that the Northern Rhodesian government should, *inter alia*, act to secure a larger quota of supervisory jobs for Africans. Harold Macmillan, then Under-Secretary of State at the Colonial Office, told Creech Jones privately: ‘As long as we must have copper we are in the hands of the Mine Workers’ Union’.103

By September 1942, the new Governor in Lusaka, Sir John Waddington was becoming alarmed at the industrial relations situation on the Copperbelt. Aggravating this, he believed, were developments in the neighbouring Belgian Congo, which created a pretext for ‘agitation’ within Northern Rhodesia. He warned of the possibility of a strike in Katanga, which would be supported by sympathetic action in Northern Rhodesia, with one of its aims (on both sides of the border) being the nationalisation of the mines. ‘Extremists’ in each territory were said to be in close contact.104 Waddington was especially concerned that the
MWU appeared to think that, because of wartime constraints, the government and mine managements would ‘always’ accede to the union’s demands in order to safeguard uninterrupted production. He was sufficiently worried to ask the Colonial Office to approach the Southern Rhodesian authorities to provide military support if this were needed. However, Southern Rhodesia could supply only 200 police and troops, and the War Office was pessimistic about the availability of other sources of manpower. It was particularly keen to avoid using South African forces, because of the South African population on the Copperbelt, and it was thought undesirable to deploy troops from the Union if the strike spread to African workers, given South African attitudes towards Africans generally. Nevertheless, the Colonial Office was seriously concerned that any disorders might disrupt the flow of copper, and might involve sabotage by strikers against potentially irreplaceable machinery. It was decided to refer the matter to the War Cabinet. The government resolved to take a firm line, and detain the union ‘ring-leaders’, particularly the communist-inclined Frank Maybank, to pre-empt any disruptive action. It was thought that Maybank had undermined his own credibility by calling for armed resistance in the event of government action. On 5 October, the Southern Rhodesian Armoured Car Regiment, which had arrived secretly two days before, moved into the Copperbelt, detaining Maybank and other union leaders under the Emergency Powers Regulations. Following a smooth operation, it was the authorities’ intention to deport the ringleaders.

The Colonial Office remained evasive on the issue of African advancement. It had accepted Lusaka’s view that unsettled conditions on the Copperbelt precluded the discussions recommended by the Forster Commission, and recognised that this probably meant shelving the issue until after the war. Even the recent detention of the MWU ‘extremists’ did not alter this view, because the European miners were understood to be uncompromisingly opposed to any concessions. Nevertheless, officials in London gave little heed to MWU protestations about the union’s commitment to ‘equal pay for equal work’. In discussions with Colonial Secretary Oliver Stanley, Geddes, chairman of Rio Tinto, a large shareholder in Rhokana, Nchanga and Mufulira, reaffirmed that the colour bar must be relaxed, and that Africans should be trained for roles which they could perform fully, but conceded that nothing could be done until after the war. The Colonial Office suspected that the mining companies would make considerable financial gains if the colour bar were to be dismantled, and could
replace highly organised and militant European miners with Africans who seemed unlikely to match European levels of organisation for many years. Meanwhile, it was estimated, the companies might save as much as £1.5 million a year on their wages bill.\(^{111}\)

A general mood of pessimism among officials in London was reinforced by the fact that not only had South African miners on the Copperbelt brought with them their extreme views on the colour bar, but also that some miners had been released for military service on the understanding that their jobs would be kept open for them after the war. Moreover, many miners had their families with them, raising the prospect of the emergence of a fresh generation, steeped in their parents’ illiberal values, with the result that the colour bar would ‘probably be held even more fanatically as the years go by’. Any attempt by government to tackle the colour bar might, it was feared, not only bring the railway workers to the miners’ defence, but also inspire fresh demands for amalgamation of the Rhodesias, another issue London was keen to circumvent during the war. Instead, arguably avoiding its responsibilities, the Colonial Office looked to the companies to take the lead by gradually replacing their current personnel, ideally with men ‘less permeated with the South African outlook on native questions’. This, in turn, appeared to be an argument for encouraging more British migration to Northern Rhodesia.\(^{112}\) The colour bar raised a further problem of policy for the Northern Rhodesian government. The territory had opted for the British model of collective bargaining, under which employers and unions were free to make their own bargains, as long as these were lawful, without government interference. Any action by government to encourage African advancement was liable to evoke a strongly hostile response from the mining companies. While the government could not legislate to impose measures designed to secure African advancement, critics have frequently commented that it was prone to use the war as a convenient pretext for inaction.\(^{113}\) However, both Lusaka and London were fully aware that compulsory arbitration had been used in Southern Rhodesia to buttress the colour bar, and for this reason both Waddington and the Colonial Office rejected its introduction into Northern Rhodesia.\(^{114}\)

The 1940 strikes are often seen as being critical in the development of the territory’s industrial relations. The African action differed from the earlier 1935 protest, against tax increases, in that it was clearly an industrial dispute. Significantly, during the Mufulira strike, African workers had rejected the traditional elders as their representatives, choosing instead a ‘Committee of Seventeen’ to articulate their
demands. Nevertheless, the Forster Commission judged that the system of elders might become the basis of an embryonic collective bargaining structure, from which, eventually, a union might develop. Yet, in 1940, the Northern Rhodesian government, supported by Orde Browne, still believed that African unionisation would be premature, a view reinforced by the tenacious belief that most African mine workers were still illiterate migrants. Under the modified system of ‘tribal’ representation, introduced in 1941, and formalised by the government and NORCOM in 1942, each tribal group with at least 25 members was permitted separate, elected, representation. In 1943, the territory’s Labour Commissioner still rejected any idea of organising African labour into unions, and the mining companies remained emphatically opposed to any such proposal. The governor, Sir John Waddington, informed London that African workers were not yet ready to organise a trade union and participate in it properly. The one concession made by the government came in 1942, when ‘boss boys’ committees’ were introduced, composed of senior Africans who supervised groups of mineworkers. Even this limited measure evoked some reservations from company managements and African workers alike. If official encouragement of African trade unions still lay in the future, Africans were taking the initiative in developing their own organisations. Welfare associations, which had begun to appear in the 1920s, offered mechanisms to pursue limited, practical goals. During the war, they grew rapidly, and after 1942 were formed on the Copperbelt, where they played an important role in articulating African grievances to both mining companies and the government. In the post-war years, forming a network across the territory, they would become the focus for early political activity.

The stabilisation of labour

It has been suggested that in Northern Rhodesia, stabilisation of labour was ‘a de facto tendency before it was an official policy’. During the war, this argument runs, British officials were beginning, albeit reluctantly, to recognise in Africa the existence of a working class. Increasingly, comfortable pre-war categories of ‘tribal’ Africa were losing their value, and officials attempted to construct a new framework of thinking which would restore to them their sense of control. To the Colonial Office’s Labour Adviser, Orde Browne, the labour regime of Central Africa was far preferable to the less ordered conditions encountered elsewhere in British Africa. Following the 1940 strikes, the
Colonial Office finally concluded that copper mining must be accepted as a permanent fixture in Northern Rhodesia, and accordingly that policy towards a settled African workforce must be clarified. Lusaka's view on stabilisation was, however, more equivocal. The colonial government was reluctant to accelerate the trend, and so damage the tribal areas, even though it accepted that the process might ultimately be unavoidable. The labour situation betrayed a growing divergence between theory and practice. As early as 1940, signs were emerging that unskilled as well as skilled workers were becoming stabilised on Copperbelt, whereas according to conventional official wisdom, the entry of men into the urban cash economy need not adversely affect rural subsistence economies: in reality, many families were willing to risk migrating to towns rather than face starvation at home. Low wages and harsh conditions notwithstanding, urban employment opportunities encouraged more African workers to spend longer periods in the towns. This development was borne out by the research of anthropologists such as Godfrey Wilson, whose *The Economics of Detribalization in Northern Rhodesia* (1940) demonstrated that stabilisation was a reality, and that perhaps 70 per cent of men in the towns had spent two thirds or more of their time in a town since leaving their village. Unpalatable though it may have been to the colonial authorities (and the mining companies), Wilson had shown not only that urbanisation, and hence stabilisation, were facts of life on the Copperbelt, he had also made a persuasive case for the complexity and entrenched nature of this phenomenon. Yet continuing unease at the implications of this change was captured by Margery Perham. Responding to suggestions that stabilisation was destroying the tribal system, and risking the development of a 'rootless' population, Perham asked whether migrant labour was not eroding traditional structures in more subtle ways, by depriving rural populations of a high proportion of men in the prime of life, for which material remittances did not compensate, and by imposing an 'unnatural' life on the mine workforce (the effects of which had, debatably, been seen during the 1940 strikes).

The Northern Rhodesian government understood that social change was occurring in the towns, and that Africans were increasingly seeing towns as their homes for longer periods. However, officials were concerned that if urban conditions were to improve significantly, this might not only encourage existing town-dwellers to settle permanently, but also lead to a fresh influx of rural migrants seeking work. For this reason, they emphasised the importance of stabilising...
the rural population through agricultural development and welfare improvements. The Colonial Office was sceptical about the Northern Rhodesian government’s approach, regarding it as unlikely that rural progress could match that on the Copperbelt, or offer the kind of facilities necessary for a stabilised, urban workforce. The mining companies shared government misgivings about encouraging stabilisation. Sir Ernest Oppenheimer, for instance, remained convinced that workers should be encouraged to return ‘home’ after approximately 18 months’ work. The cost of feeding and housing a worker, he argued, was not far short of the cost of paying him. Although in practice, some 40 per cent of workers at Nkana were accompanied by their wives (by 1942, married men were on average spending two years continuously at Nkana, twice as long as their single colleagues), Oppenheimer was loath to take on the cost of subsidising long-term settlement. Late in 1943, the Colonial Office concluded that the mining companies opposed the financial implications of stabilisation, at a time when they were already becoming sensitive about their future costs. Early in 1944, the companies seemed averse to any general acceptance of stabilisation, fearing not only its costs, but also that in a slump (still widely expected) it might produce serious unemployment on the Copperbelt. Nevertheless, as the Colonial Office recognised, a ‘considerable degree’ of stabilisation had already occurred: the question was how far this situation should be accepted by government and acted upon, involving the provision of adequate welfare services, to match, for example, the compulsory education already introduced for the majority of children on the Copperbelt.

The war encouraged a degree of co-ordination between the mining companies over labour policy, particularly over stabilisation. Agreeing that a high turnover of African workers was uneconomic, they still resisted the prospect of permanent stabilisation. When the government-sponsored Saffery Report recommended that stabilisation should be accepted as general policy on the Copperbelt, NORCOM produced a highly critical response. Ronald Prain challenged the report’s assumption that production would continue at its current rate, and possibly increase, after the war. He thought it obvious that the companies would simply not continue production at 1943 rates: they had to consider safety issues, and the need for development work, and were also unwilling to deplete their high grade ore too quickly. Pointing out that the industry might have a life of, perhaps, 50 years, after which it might no longer be profitable, he stressed that copper production in Northern Rhodesia was ‘marginal’, and could survive
only if its costs were lower than those of its competitors.\textsuperscript{134} It was convenient for the companies to endorse the official view that African mineworkers’ rural ties should be maintained, and that a ‘desirable’ length of service would be between 18 months and two years. At the same time, the companies did little in practice to implement government policy, apart from providing some travel expenses and offering unpaid leave to workers wishing to re-visit their villages.\textsuperscript{135} Arguably, the employers sought the best of both world: a dependable supply of relatively cheap labour from the villages combined with a steady flow of workers back to the rural areas, enabling the social costs of labour to be minimised.\textsuperscript{136}

By 1944, the government had opted for a policy of ‘balanced stabilisation’. Because it remained committed to the philosophy of Indirect Rule, and because the production of copper was still a priority, the authorities required some form of compromise on stabilisation. This amounted to a \textit{de facto} recognition of realities on the Copperbelt, combined with a commitment to promote rural development. Echoes of more traditional thinking could still, however, appear. When possible cuts in production levels were being discussed early in 1944, the acting governor, significantly, envisaged no ‘insuperable’ difficulties, provided that African workers were not displaced until the beginning of April: by then, the rainy season would be over, and they could return to their ‘homes’.\textsuperscript{137} The continuing attachment to rural development, albeit now matched by interest in urban opportunities, also eclipsed the issue of African advancement, leaving this to be a major unresolved problem for the post-war period.\textsuperscript{138} The absence of a clear government policy on stabilisation was unsatisfactory. Early in 1944, the Northern Rhodesian government was still privately hostile to the idea of general stabilisation. A key argument was that the entire territory depended on the Copperbelt, and that this would be upset if the benefits of mining income were confined to a small proportion of Africans, and not dispersed through remittances sent to the rural areas, or by the return of miners to the rural areas. Fear of serious unemployment in the event of a slump in the mining industry remained. Like the mining companies, the government was inclined to think that the Saffery Report had gone too far in its recommendations. In this context, to provide social services on the Copperbelt of a higher standard than elsewhere might in itself encourage stabilisation, suggesting that better provision in the rural areas was needed to counteract migration to the towns. The fundamental question remained: how was a balance between the urban and rural areas to be achieved?\textsuperscript{139}
Amalgamation of the Rhodesias

Although the colonial authorities had in the past resisted the MWU’s calls for a colour bar, wartime concern to maintain maximum copper production had eroded their resolve. Furthermore, both London and Lusaka were reluctant to antagonise the European mining community at a time when enthusiasm for amalgamation of the Rhodesias was rising. As Berger has noted, an important strand in white thinking on this issue was economic insecurity in the face of a possible African challenge in the workplace.140 Following the stalemate arising from the findings of the Bledisloe Commission, and its emphasis on the incompatibility of the ‘native’ policies of Southern Rhodesia and the two northern territories, Northern Rhodesia and Nyasaland, the question had been examined again in 1940 by Lord Hailey. In a report which was not made public, Hailey concluded that Southern Rhodesia’s employment colour bar remained an obstacle to amalgamation.141

London was alarmed at the scope the war provided for extended South African influence in Africa. A specific worry was that if Smuts were to be displaced by extreme Nationalists, the latter might seek to achieve a dominant position for the Union north of the Zambezi.142 One response to this perceived threat was to encourage greater migration from Britain, not only to South Africa, but to Central Africa, too. In August 1941, Lord Harlech, Britain’s High Commissioner in Pretoria, reported a discussion he had had with Sir Ernest Oppenheimer on the subject. De Beers, it seemed, were anxious to get ‘new blood’ from Britain into both regions.143 Meanwhile, the war gave Pretoria numerous opportunities to demonstrate its interest in the British East and Central Africa. One practical outcome had been increased contact between white labour in South Africa and Northern Rhodesia, partly because of the large influx of South African workers into the Copperbelt during the war. With Britain’s relations with South Africa hinging largely on the fate of Smuts, it was significant that the latter was keen to promote a greater degree of co-ordination between the governments of East and Central Africa and South Africa. Moreover, Smuts was likely to expect South Africa’s contribution to the war to be recognised through greater regional influence. The Colonial Office was aware that Smuts derived much of his political backing in South Africa from major financial interests on the Rand, and that these had a vested interest in the expansion of South African influence northwards, opening up new opportunities, especially in the Copperbelt and Katanga.144 Oppenheimer subsequently claimed that he would like to
have given evidence before the Bledisloe Commission in favour of amalgamation, but that he had given way to Sir Dougal Malcolm, his chairman of the board on BSAC, who wanted the Company’s position to be as noncommittal as possible. In 1941, Oppenheimer claimed still to be in favour of amalgamation, but thought that the terms would have to be very carefully thought out, and that the copper interests should be consulted confidentially before any commitments were entered into.145

In August 1941, Huggins told the United Party Congress that he had agreed to the Colonial Secretary’s request that the amalgamation issue should be deferred for a time, but that it had been agreed that it should not be postponed for the duration of the war.146 If Huggins had agreed to ease the pressure on London for the duration, Roy Welensky, an increasingly prominent voice among Northern Rhodesia’s whites, continued to argue the case for amalgamation strenuously.147 The hardening attitudes of African workers also had wider, political, ramifications. When the Colonial Office resumed discussions on possible amalgamation in 1943, local officials warned that many Africans would see this as a ruse to create a substantial labour reserve for the benefit of Southern Rhodesia’s whites (a view dismissed by Andrew Cohen as being ‘rather parochial’).148 During the war, however, not only was Britain more dependent than ever on Central Africa’s resources, but the settlers’ own position was strengthened: in these conditions, the Colonial Office found its ability to retain the initiative continually circumscribed.149

On amalgamation, as on many other questions, the war arguably provided a convenient pretext for inaction by London. Yet the Southern Rhodesian government could not be expected to postpone discussions indefinitely. In April 1944, Cranborne and Stanley presented a joint memorandum on ‘Closer Association’ to the War Cabinet. This made clear London’s apprehensions about the likely hostile response to amalgamation from Africans in the northern territories, and potential criticism within Britain. It asserted that Britain could not formally accept the colour bar. The Europeans on the Copperbelt had, it was argued, exploited the war to advance their claims, although these did not have government recognition. The majority of ‘unofficial’ opinion in Northern Rhodesia would favour legislation to secure a colour bar, and if amalgamation went ahead, a colour bar would be established, laying London open to ‘serious criticism’. On practical grounds, it was unlikely that a settler population of around 85,000 could manage a state inhabited by more than five million Africans, casting doubts on the
amalgamationists’ eventual goal of full Dominion status. In these circumstances, Britain might be obliged to resume unwelcome responsibilities, including financial ones, but, more probable was that the new state would be absorbed into South Africa. If Britain were to block amalgamation, Southern Rhodesia might seek to join South Africa, overturning its decision in 1923, and embroiling the territory in the Union’s racial problems. Not only would Britain risk losing access to vital raw materials, but the spread of South African influence northwards would reinforce those groups, for example in Northern Rhodesia and East Africa, opposed to the British policy of developing African populations in partnership with settler communities. London therefore had to prevent both amalgamation and the capture of Southern Rhodesia into Pretoria’s orbit, while avoiding accusations that Britain’s policy was obstructive. The wartime postponement of a policy decision, along with Southern Rhodesia’s co-operative attitude, meant that London needed something to offer, so as to pre-empt more urgent demands from the settler populations. The proposal offered by Cranborne and Stanley was for advisory machinery to promote inter-territorial co-operation. Since this was not, in itself, likely to satisfy settler aspirations, a further concession might be the creation of an unofficial majority in the Northern Rhodesian Legislative Council. 150

The post-war outlook

As early as Spring 1941, the Northern Rhodesian government was considering the post-war problems the territory might face, especially in the field of employment. The Lusaka authorities, it seemed, were showing some initiative in responding to the Colonial Office’s early attempts at reconstruction planning, through the appointment of a Committee on Post-War Problems, chaired by Lord Hailey. The basic problem exercising Lusaka was the extent to which the Copperbelt would be expected to continue production after the war. Mining company managers could not yet predict the post-war situation, but the governor looked to the Colonial Office to give some indication of Britain’s likely demands for copper in the first year after the war. Significantly, he was keen to know if London planned any measures to stimulate post-war production, and so avoid unemployment, for example through a government subsidy or guaranteed purchases of copper. 151 The appointment of a committee in Northern Rhodesia to consider post-war problems was warmly welcomed by the Colonial Office. It was hoped that the mining companies would be fully
involved in the committee’s deliberations. As Sir John Campbell put it: ‘They ought to – and probably do – know much more as to the probabilities than anyone else’. However, unsurprisingly, the Office could provide only an anodyne response to Lusaka’s request for information: it was unable to forecast future demand, and its implications for the territory, suggesting that much would depend on the scale of recovery of copper from wartime usage. Production would clearly have expanded ‘enormously’, and consumption would certainly contract sharply, compared with wartime levels, while large supplies of copper would be available. Against this background, the position of copper would inevitably depend largely on the ‘general economic climate’ after the war. Yet concern about the Ministry of Supply’s current demands for further expansion, and the likelihood that such expanded capacity would be unproductive after the war, led Geddes to warn that the return to normal levels of consumption might well ‘break the back’ of the mining companies.

The Committee to discuss post-war problems produced its report in October 1942. Although couched in very general terms, it referred to possible co-operation with Southern Rhodesia in relation to settlement, employment and the development of secondary industries. Late in 1942, the Northern Rhodesian government was ‘deeply concerned’ about the future: if the market for copper collapsed after the war, the territory’s Exchequer would soon face near-bankruptcy, and the resulting unemployment might provoke serious racial problems. Prompted by Geddes’ worries, the Colonial Office attempted to sound out the Treasury and the Ministry of Production on the possibility of guaranteed purchases by the British government for a specified period after the war. The Ministry of Production saw the questions raised by Geddes as outside its responsibilities. The Treasury refused to discuss the question of guaranteed purchases of Northern Rhodesian copper, as it raised ‘one of the gravest problems of world trade generally after the war affecting many countries and their products’, one which ‘will have to be examined on a wide basis in international discussions’.

Undeterred by the Colonial Office’s polite rebuttal, Geddes repeated his wish to discuss the whole question of policy affecting the mining industry in Northern Rhodesia, including the colour bar. In his talks with the newly-appointed Colonial Secretary, Oliver Stanley, Geddes again warned that the ‘enormous’ increase in capacity in the copper industry, in Northern Rhodesia and elsewhere, seemed far in excess of likely post-war demand: a start should therefore be made to plan a reduction in capacity on an international basis. While the Colonial
Office was following the discussions then being conducted on post-war commodity regulation, it was aware that any scheme devised for copper would have to comply with the general principles currently being established. Until these were clearer, it seemed unwise to take up the case of copper, still less to approach other producer countries. While officials felt that the Colonial Office should be ready to participate in a regulatory scheme, they were unwilling to initiate discussions. Although there was a consensus among senior officials that copper was a commodity better managed by a buffer stock than by full regulation, there was an equal conviction that talks with the mining companies at that stage might be ‘most embarrassing’, and that it was better to wait for a ministerial decision on broad commodity policy, and an approach to the US authorities.

Early in 1943, Governor Sir John Waddington faced questions in the Legislative Council about London’s willingness to continue buying Northern Rhodesian copper after the war, or to control the sale of scrap metal (or liquidate its stocks of copper over a period of ten to 20 years) so as to soften the impact of fresh supplies on mining. Lusaka was understandably concerned about the implications of a sudden post-war cut in production, not least the unemployment which would affect politically important European workers. Nevertheless, the British government was not prepared to give the territory the guarantees it sought. The Ministry of Supply could make no promises about post-war copper purchases, and was unlikely to have a policy decision before the end of the war, although it was beginning to consider the post-war raw materials position. Meanwhile, the Colonial Office, reliant on decisions made elsewhere in Whitehall, could say only that the importance of the issue to Northern Rhodesia was ‘constantly’ being borne in mind. The mining companies, for their part, wanted a commitment from the Ministry of Supply to buy half the Copperbelt’s current output from the end of the European war to a date two years after the end of hostilities with Japan, with an option to buy as much of the companies’ current output as could be produced in the circumstances. During the following two years, they wanted the Ministry to buy half their current production, with no option to buy the remainder. Finally, the companies hoped to see the other copper producing countries come into line on production during this period.

It was significant that, as discussions in Whitehall on future commodity policy developed momentum during 1943, senior opinion within the Colonial Office felt it was necessary to consider working more closely with the Ministry of Supply: since the future of the
copper market was bound to have enormous relevance to political and economic affairs in Northern Rhodesia, the Office needed every opportunity to air its views.\textsuperscript{166} Officials were still acutely conscious of having being excluded from the creation of the wartime purchasing scheme. As in the past, the Colonial Office was not directly involved in early discussions on post-war copper purchases by the government: once again, the Office had been circumvented by the principal actors in Whitehall. It was, as one official commented, ‘incredible’ that the Office had received no invitation to participate.\textsuperscript{167} Part of the problem was that the Colonial Office had, perhaps understandably, allowed itself to become preoccupied with labour questions, and their political ramifications. While the Office was interested in all aspects of copper production, the major purely Colonial Office interest was in labour relations.\textsuperscript{168} When the Colonial Office finally joined representatives of the Ministry of Supply and the NFM to discuss purchases of Northern Rhodesian copper by the Ministry in the period immediately after the end of the war, the Office argued that, in order to avoid ‘political difficulties’ in the territory, it might be necessary for the Ministry of Supply to purchase Northern Rhodesian copper in preference to Canadian, even though the latter might be cheaper. One potential problem with this suggestion was that Canadian copper was largely a by-product of producing other metals, and was therefore relatively cheap: whether the Ministry of Supply bought it or not, this metal would come onto the market, with potentially ‘disastrous’ consequences for copper prices, to Northern Rhodesia’s clear disadvantage.\textsuperscript{169} Nevertheless, the Colonial Office seemed optimistic, late in 1943, about copper’s long-term prospects. In the case of Northern Rhodesia (before the war, among the world’s cheapest producers), much would depend on the industry’s ability to reduce its costs to a competitive level.\textsuperscript{170} The mining companies themselves were keen to reduce production in the immediate post-war period, allowing them to concentrate on recently neglected development work. While they argued that labour not needed for production would then become available for development, so softening the impact on labour resulting from production cuts, the Colonial Office suspected that another major motive to reduce output quickly was the companies’ concern to reduce costs, and thus maintain their competitiveness in the world market, in the face of declining efficiency. It seemed inevitable that the companies would seek to ‘adjust’ wage levels for both European and African workers, and that ‘difficulties’ would follow.\textsuperscript{171} Prain had attributed the serious decline in efficiency in the mining industry (60 per cent since
the outbreak of war) primarily to the declining efficiency of European labour. This he attributed to the effects of the Essential Works Order, which decreed that no employee could be dismissed without the agreement of the territory’s Director of Manpower, Roy Welensky, appointed in 1941, having become a member of the Executive Council in 1940. Prain was already predicting that a ‘showdown’ with the European workforce would be ‘absolutely essential’ after the war, when wages would have to be cut, otherwise the Copperbelt would be unable to compete with other producing countries. For its part, the Northern Rhodesian government attributed declining labour efficiency to the fact that many Europeans recruited had been of a ‘very low standard’, lacking feelings of ‘patriotism’, while many of the ‘best’ Africans from the labour-supplying areas had joined the army. Furthermore, the mining companies had been unable to find sufficient competent officials, able to deal effectively with labour affairs. Experienced miners, from whom such officials might have been recruited, were now inclined to remain miners, because the pay was better. In these circumstances, and in view of the labour shortage, discipline was harder to maintain.

With no clear indication of government policy on the maintenance of controls, or on the likelihood of the LME re-opening, the Ministry of Supply was unable to look beyond the first year of peace. It accepted the need to avoid immediate post-war chaos, which might be accentuated by supplies of scrap copper. It therefore favoured the companies’ proposal for the purchase by government, for one year after the German armistice, of half their current output, with an option to buy more. The Ministry also wanted to move away from the current cost-plus arrangements, instead relating the price it paid to the world market price during the last six months of the war, subject to a lower limit of the actual costs of production, safeguarding the companies against serious loss, and a higher limit of the basic price plus increased costs, to safeguard the Ministry against a rocketing free market price. Although the Ministry was becoming wary of further financial commitments in the Copperbelt, the mining companies believed that housing shortages in the townships were affecting labour efficiency. The problem threatened to interrupt the labour supply, and maintaining the workforce would tend to lower its efficiency still further, once miners realised that they could not easily be replaced. Moreover, in view of the recommendations of the Forster Report on African housing, the companies were aware that the government was likely to insist on remedial measures. During 1943, Mufulira had decided that improved efficiency would require large-scale expenditure, including
programmes to improve mineworkers’ housing, and asked the Ministry to provide the necessary capital. RST was also arguing, late in 1943, that if further expansion of its capacity were required, the Ministry should meet the entire cost of the additional housing needed. The Ministry was not enthusiastic, arguing that the Northern Rhodesian government should assume financial responsibility for Copperbelt housing schemes. The Colonial Office responded that this was impossible, on political grounds, and that the Ministry had created certain expectations and could ‘hardly shed them so lightly’.\textsuperscript{176}

Early in 1944, Roan was proposing to cut production from the middle of the year, from 20,000 tons to 10,000 tons, allowing the mine to concentrate on development work. This was not expected to involve either a significant reduction in the workforce, or any immediate cut in Northern Rhodesia’s revenue. The situation at Mufulira was more complicated, because the ore quality was deteriorating, and current production levels could not be maintained unless the labour force was increased, which in turn would require the extra housing for which the Ministry of Supply was unwilling to pay. The deficiencies in the existing housing stock on the Copperbelt (especially for Africans) were a problem of which the Northern Rhodesian government was keenly aware, the Labour Department having repeatedly called for improvements.\textsuperscript{177} As Lusaka noted, it did not appear that Mufulira’s failure to embark on a new housing programme would in itself lead to an appreciable cut in the workforce, and so no resulting cut in production was expected. It was also noted that Prain seemed to assume that current production could be maintained provided that the existing workforce did not contract, which suggested to the Northern Rhodesian government that uppermost in mine managers’ minds was the cost of accommodation, rather than the declining ore quality at Mufulira.\textsuperscript{178} Pending decisions at the highest level on fundamental questions of commercial policy, these discussions on the post-war outlook for copper could be, at best, only speculative. Nevertheless, there is evidence that the Colonial Office was anxious to avoid a return by the copper companies to the kind of regulatory framework they themselves had devised before the war. A major task would be to persuade the companies to conform to the commodity control scheme which, it was still assumed early in 1944, would prevail after the war.\textsuperscript{179} A related concern was how to deal with the large stocks of copper which would exist after the war. For the Ministry of Supply, it was ‘a major point of policy’ that governments should maintain these until they could be released for consumption, if a ‘chaotic’ situation were to be avoided.
This would require co-operation between the governments of the major copper producing countries, but no scheme could be devised until the general commodity regulation position became clearer. To comply with the spirit of recent Anglo-American discussions on commodity policy, provisions would be needed to ensure growing opportunities to supply world needs from countries able to meet such needs most effectively. For Whitehall, however, it was essential that if such a proposal were to be discussed with Washington, Britain should, from the outset, appear to assume that protection of the US copper industry would be abandoned, in keeping with previous ‘Article VII’ exchanges. In the early summer of 1944, the Ministry of Supply anticipated that the United States would refuse to abandon the protection of domestic copper mining, and that ‘more drastic’ restriction would have to be considered, but the responsibility for this should lie with the Americans, and their insistence on preserving a heavily protected industry. The resulting creation of an insulated US copper industry would, it was felt, reduce the need for American participation in a post-war restriction scheme. Concern about the wider prospects for international agreement on commodity regulation had been a further motive for reassessing the bulk-purchasing contracts in summer 1944. It was feared that unless copper producers were confident of receiving government assistance, they might form a cartel, and potentially jeopardise an agreement, because if the Northern Rhodesian producers were to join, this might be interpreted in Washington as a hostile action by Britain. Meanwhile, given the bewildering scale of the changes affecting the wartime copper industry, the financial press was heartened by a statement by Geddes which, while conceding that many current and future problems remained to be addressed, described the Copperbelt’s present situation and future outlook as ‘satisfactory’. Geddes, so often a critic of government policy, subsequently took solace from the hope that the Coalition government’s policy of full employment, accepted by all parties, made it ‘certain’ that copper had a ‘very reasonable future’. The Colonial Office had already advised colonial governments that in the ‘transition period’, which might last for several years after the war, many wartime economic controls and ‘special arrangements’ would continue. Although some colonial industries would face ‘special problems of adjustment’, it was not thought that demand for most colonial produce would decline significantly. In relation to any post-armistice scheme, the Northern Rhodesian government thought it unlikely that the mining companies would exert themselves initially to
capture fresh markets in addition to their sales to the Ministry of Supply. On the contrary, they were thought likely to welcome the chance to shut down completely, maximising on this opportunity to reorganise and secure a new deal with labour from a position of strength. However attractive to the companies, this would mean political and financial ‘disaster’ for Northern Rhodesia: in Lusaka’s view, the mines must be kept in production ‘at all costs’, if only at half-capacity, because immediately after demobilisation, the problem of unemployment would be at its worst. Anticipating no post-war boom, of the kind which had occurred after 1918, Lusaka insisted that the reversion to peacetime production would take time.\(^{184}\)

By the beginning of 1944, the Ministry of Supply was anxious to cut Copperbelt production by 20 per cent from April, from 238,000 tons to 191,000 tons. Given the large expenditure the Ministry had already incurred on extending the Nchanga mine, it was decided that this work should go ahead, although the Ministry did not want to be obliged to take any of its increased output. The same outlook informed the Ministry’s reluctance to spend any more on housing at Mufulira. An important consideration was that reduced production would inevitably strengthen the hands of the mining companies in their impending negotiations with the MWU on the renewal of their agreement. The Ministry hoped for a quick decision, which could be made public, allowing the companies to make the necessary preparations.\(^{185}\) Although reduced production would mean a loss of revenue to Northern Rhodesia, the Colonial Office conceded the possible long-term advantages to the territory. It would be better, for instance, if large stocks of copper had not accumulated by the end of the European war, since this would demand an even greater cut in production later. Moreover, because the mining industry’s high wage bill had increased the costs of production, a cut in output would make the ‘handling’ of European labour easier. There were no grounds, therefore, for the Colonial Office to obstruct the Ministry of Supply’s proposals, but an important consideration was the timing of their announcement, and European workers’ reactions. It seemed unfortunate that the Ministry’s proposal came so close to the negotiations on a new labour agreement, due to begin in late January 1944. The MWU was expected to put forward ambitious demands of its own, which the Colonial Office understood the mining companies planned to reject. It also seemed significant that the companies had themselves sought a cut in consumption from the Ministry of Supply, partly on technical grounds (to permit long-delayed development work), but also to capitalise on their
strengthened position vis-à-vis the MWU. While keen to be seen as ‘completely impartial’ in the Copperbelt’s industrial relations, the Colonial Office was privately rueful that the production cut could not have been implemented several months earlier. Meanwhile, on the colour bar, the Colonial Office was paralysed by a central dilemma: if the Northern Rhodesian government took action to promote African advancement, in agreement with the companies, but without consulting the MWU, ‘serious trouble’ with the European workers would certainly ensue; yet it was equally clear that both London and Lusaka would come under increasing pressure to hold the discussions recommended by the Forster Commission.

Lusaka resigned itself to the need for reduced copper production, but sought to soften its impact by making the process gradual. Government apprehension was captured in the governor’s comments: ‘The people on the Copperbelt, semi-educated, uninformed and badly-led, are very easily swayed and liable to change their minds at any moment. One can never be certain what their reactions will be’. Like the Colonial Office, it appreciated the value of announcing the cut-back before negotiations between the companies and the MWU began, otherwise, their early meetings would take place in conditions ‘completely divorced from reality’. Conversely, if the announcement came after negotiations had begun, the MWU would probably suspect collusion between the companies and the government. Nevertheless, the governor felt that the announcement was bound to be followed by a ‘widespread feeling’ that, despite wartime ‘propaganda’ about a better future, ‘the capitalists have got their way and are beginning to tighten the screw on their employees’. This situation could be exploited by ‘agitators’, and a politically motivated strike by Europeans seemed bound to be followed by an African strike, driven by a concern to improve the prospects for advancement. The Lusaka authorities were therefore taking the precaution of arranging for Southern Rhodesian troops and police to be made available. It was against this tense background that Stanley approved the proposed production cut, staged over three months, beginning on 1 April 1944.

The Ministry of Supply’s formal request to the Colonial Office to relax Northern Rhodesia’s efforts to secure maximum production was made on 22 January 1944. The reasons given were that, with a European armistice possibly imminent, the ‘ever-present’ threat of copper shortages was receding. Moreover, unhealthily large stocks of copper would endanger ‘our important Empire copper industry’. Predictably, given the general industrial relations climate, protest meetings
were quickly organised by the MWU throughout the Copperbelt.\textsuperscript{191} Nevertheless, Beresford Stooke was confident that the more ‘vocal’ element of the Union’s leadership would realise that labour was no longer indispensable, and would therefore become more ‘reasonable’. If this were the case, he thought, it might become possible to revoke the Emergency Powers Regulations, allowing the mines to dispense with disruptive individuals.\textsuperscript{192} Following the announcement of the planned cut in production, the Ministry of Production faced complaints from Northern Rhodesia that it was being ‘singled out’ for a reduction before other producers, and from the US authorities, who argued that the supply position did not warrant such a cut. The Ministry was anxious to make it known that the initiative for the cut had come from the companies, not the British government. Rhokana flatly denied this, while Prain, for RST, argued that the companies had envisaged a much more modest reduction of 20,000 tons, not 57,000 tons, over a year.\textsuperscript{193} The companies were reportedly ‘very dissatisfied’ with the change in production plans. Prain argued that because a ‘capital expenditure’ criterion was to be adopted, Mufulira and Rhokana would be cut more than Roan, the mine where a cut was most needed.\textsuperscript{194} A review of the copper supply position by the Combined Raw Materials Board discovered that the American position remained tight, and led to US calls for output in all the main producing countries to be maintained. Henceforth, any surplus above Ministry of Supply requirements would be allocated to meet needs previously met by the United States, whose own production would be reduced because of the withdrawal of manpower to meet military demand.\textsuperscript{195} An important consideration when production levels were being discussed was the likely impact of any reduction on the workforce. By 1942, around 4,000 Europeans were directly employed by the mines. There were many more whose livelihoods depended indirectly on the copper industry. These, and their dependents, made up the bulk of the European population of Northern Rhodesia. At the same time, the mining companies employed some 35,000 Africans, but the total number working on the Copperbelt was much greater. Any large-scale reduction in output would therefore threaten very serious consequences, since neither European nor African workers had unemployment insurance, and there was scant prospect of finding alternative work. Unskilled workers faced the additional problem that no openings in Southern Rhodesia or South Africa were then available. In the case of Europeans, large-scale repatriation might be necessary. In the case of displaced African workers, large numbers would have to be reabsorbed into village life,
an inevitably ‘difficult and painful’ process. Although ‘reverse migration’ of this sort had been precisely the panacea offered by officials still ambivalent (at best) towards labour stabilisation, it was the sheer scale of the operation which would be required which concerned the Colonial Office late in the war when it contemplated a reduction in output from the mines: success, and the avoidance of industrial unrest, would depend on its gradual implementation. 196

The announcement of the cut-back in production made Lusaka even more reluctant to discuss African advancement. Like the mining companies, Governor Waddington was convinced that there would have to be a ‘showdown’ with the MWU, but he believed that talks should be postponed until after the war, when the companies, anxious to make all possible economies (including wage cuts) as part of their wider reconstruction programme, could be expected to take the initiative themselves. Once again, it seemed, the authorities were relieved to be able to avoid taking responsibility for this important issue. 197 Particularly in Northern Rhodesia’s case, the question of post-war production had an important political dimension. Any failure to devise satisfactory transitional arrangements might intensify political pressure among ‘unofficials’ in the Legislative Council for amalgamation with Southern Rhodesia, on the grounds that the government of a self-governing territory would have been able to extract better terms for its principal industry, and that the British government, having gained all it could from Northern Rhodesia during the war, was abandoning the territory to its fate. 198 For a variety of reasons, then, a ‘special effort’ seemed necessary to lessen the impact of the transition from war to peace, and, perhaps equally important, that the authorities should be seen to be working towards this goal. Hence, the governor had been authorised to inform the Legislative Council that in the event of adjustments to production policy arising from changing war conditions, the British government would give ‘full weight’ to the importance of copper to Northern Rhodesia, and would do ‘everything’ possible to safeguard the territory’s post-war interests.

While it was generally accepted in Northern Rhodesia that a reduction in output was inevitable, to the Colonial Office it was critically important that a purchasing policy was devised which allowed this to be done gradually. For this reason, the Office ‘whole-heartedly’ supported the Ministry of Supply’s proposal to continue buying copper from Northern Rhodesia (and from Canada and South Africa) for 12, not three months after the European armistice. However, the Ministry was proposing to buy 124,000 tons over 12 months, instead of the
55,000 over three months as currently agreed, which, as the Colonial Office pointed out, meant that production at the end of the year would have to be ‘materially’ below 124,000 tons, ‘with the most serious consequences to the economic and industrial condition of the Territory’. The Office sought a figure of 160,000 tons in the year after the armistice, allowing production to be reduced by 25,000 per quarter (or more rapidly to 140,000 tons over the last six months). This would include a ‘special purchase’ of additional copper, if it appeared that the lower figure might lead to serious labour difficulties. Arguing that something had to be done to assist Northern Rhodesia through a difficult transition, the Colonial Office accepted the figure of 124,000 tons, provided it was left free to make further proposals if, in practice, the territory proved unable to make external sales which would bring its total copper exports to 160,000 tons. 199

The Treasury seemed refreshingly willing to extend some assistance to Northern Rhodesia’s producers at the end of the war, but noted that the territory had built up a wartime balance of almost £4 million: if special assistance were needed, could not the Northern Rhodesian government offer it? The Colonial Office response was that the long-term interests of Northern Rhodesia lay in the restoration of a stable market for copper. It was not seeking privileged treatment for the Copperbelt, compared with other Empire producers, unless the economic position of the territory demanded it. The Office warned that if Northern Rhodesia failed to sell its copper, the territory would need financial help from the British Exchequer. If such a situation arose, it would be preferable that Britain should receive copper in return for its expenditure in Northern Rhodesia, and that the territory should be able to maintain its employment, rather than simply receive financial relief. 200

The Colonial Office was pleased that the Treasury was willing to consider special assistance to Northern Rhodesia, in the form of additional purchases of copper, over and above the authorised 124,000 tons for the first year of peace, but it inevitably resisted Treasury suggestions that the government of Northern Rhodesia might pay for this. Andrew Cohen called this proposal ‘absolutely outrageous’, given the lengths to which the Copperbelt had gone to meet Britain’s wartime needs, and the resulting problems with which the authorities in Lusaka had been obliged to contend. 201 Warning the Treasury that the Colonial Secretary would object ‘strongly’ to the former’s proposal, the Colonial Office pointed out that the Northern Rhodesian government had been passing through a period when revenue had been high, but when much essential expenditure had necessarily been postponed. The
territory was now on the brink of a period when revenue would be low, while the arrears of expenditure would have to be made good: Northern Rhodesia’s ‘surplus’ was, therefore, an illusion. A further complication in mid-1944 was that the United States was still insisting that Copperbelt production should be maintained at the maximum possible level. Washington was concerned about the unexpectedly high rate of military copper consumption, and sought assurances that production could be raised to meet anticipated needs in 1945. The Colonial Office feared that calls such as these might be counterproductive. There seemed little chance that the labour force could be expanded to any significant extent, although adjustments might enable production to be increased with the existing manpower. This was thought to be especially true of Roan and Mufulira, where the managements were not keen to produce more than necessary, because of the workings of Excess Profits Tax.

When the Ministry of Supply’s post-armistice proposals were discussed, the mining companies were unenthusiastic. Given the large stocks of metal, and the very low price, which would apply after the war (effectively allowing them no profit), and the resulting obstacles to international agreement, the companies suggested, not for the first time, that the best thing might be for the Copperbelt producers to close down temporarily, although even this might create opportunities in the market for their competitors. The boards of all four companies subsequently confirmed their rejection of the Ministry’s offer, the stumbling block being the suggested price of £48.10.0 per ton (electrolytic) and £43.10.0. (blister). By August 1944, the Colonial Office was relieved that the Ministry of Supply had decided that an increase in the production rate of Northern Rhodesian copper would be undesirable. Although the final decision would be for the authorities in Washington, the governor, too, was keen to avoid any increase unless ‘absolutely essential’, and hoped that an output of 160,000 tons in the first post-armistice year could be achieved. However, he was concerned about the price implications of the Ministry of Supply’s recent offer: if the payment envisaged really allowed the companies little or no profit, the implications for income tax revenue were serious. Meanwhile, the Colonial Office had reached the conclusion that any additional US demand ought to be met by reducing UK stocks of copper, not by an increase in Copperbelt production.

Wartime restrictions on capital issues threatened to obstruct the plans of both Roan Antelope and Mufulira, who, early in 1944, applied to the Capital Issues Committee in London for authority to raise
£1 million and £700,000 respectively. The Committee was unenthusiastic, because capital issues were only being permitted if they contributed directly to war production. Within the Colonial Office, opinions differed. Sydney Caine did not think the Office could support the application, believing that the companies were looking ahead and trying to assure themselves of finance for post-war development, perhaps through fear that interest rates would increase when the demand for capital rose. In Caine’s view, the companies were attempting to benefit from the existing system of tight controls, a regime which was unlikely to be lifted soon after the end of the war. Stanley, however, stressing the dependence of Northern Rhodesia on the copper industry, was more sympathetic. Following the announcement that it would be cutting purchases from Northern Rhodesia, and the subsequent American request that production should be maintained at the maximum possible level, the Ministry of Supply was obliged to review its position on capital expenditure. While the position in Spring 1944 did not justify further investment in the Copperbelt, officials were concerned that the mines should maintain production and not be hampered by a lack of capital. The companies’ position was put, with characteristic force, by Beatty, who argued that they were seriously under-capitalised, with as little as one month’s cash in hand. During the war, they had doubled their production without any fresh issues of capital, although they had re-invested around £9 million worth of profits. The mines, especially Roan Antelope, had been worked to such an extent as to be positively dangerous. The time had now come, he insisted, when the companies had to begin large-scale expenditure in order to safeguard continued operations. Beatty was skilful in integrating the various strands of the companies’ concerns into a single argument. While the Ministry of Supply’s future policy, and government policy on commodities generally, remained unclear, but when the assumption was that peace would lead to a sharp decrease in both demand for copper and the price it could achieve, he suggested that if the companies were assured of a stable market over the next few years, with a guaranteed price, there would be no need for them to approach the CIC. For the latter, the primary consideration remained the extent to which the capital being sought by the companies would contribute directly to the war effort. Beatty’s response was that the mine companies’ needs were quite unlike those of ‘ordinary’ industrial undertakings, in that the mines needed to plan their development work ‘at least’ five years ahead. A further argument deployed by Beatty, calculated to alarm the British authorities, was that
if their application to the CIC were not granted, the companies might be forced to suspend operations. Moreover, it was possible, he warned, that American companies (which had large cash reserves) would seek to buy up the Copperbelt companies. His *coup de grâce* was the comment that, before the war, US companies had made a ‘tempting offer’ on these lines, but that this had been declined on the grounds of the desirability of preserving imperial control of the Copperbelt.\(^{212}\)

Although the Colonial Office did not claim that it was in the national interest that Roan and Mufulira be allowed to raise fresh capital, in the sense that it related directly to the war effort, it again stressed the importance of the mining industry to Northern Rhodesia’s economy generally, and to the territory’s revenue. Furthermore, the circumstances in which the companies found themselves were largely due to the response they had made to the Ministry of Supply’s demands for all-out production.\(^{213}\)

Later in 1944, the question of Copperbelt output converged with much larger policy themes. Lord Keynes was poised to begin his financial discussions with the Canadian government, and it was judged important that, during these, the British side should raise the question of ending its current contracts with Canadian copper producers. In order to strengthen the British position in the wider negotiations, it seemed desirable to tell the Canadians before 1 November 1944 that their contracts would not be renewed when they expired at the end of January 1945. Furthermore, since at least September, the Treasury had, on exchange grounds, been pressing for reduced imports of Canadian copper.\(^{214}\) But implicit in Britain’s contracts was the understanding that all Empire suppliers would be treated equally. It was therefore necessary to inform the other Empire producers, such as Northern Rhodesia and South Africa, at the same time as the Canadians, that their contracts would not be renewed. It was convenient that this action was desirable on supply grounds, anyway: the Ministry of Supply estimated that its copper stocks on 31 January 1945 would be approximately 400,000 long tons – ample to supply Britain during 1945 without further purchases.\(^{215}\) At the end of October, the Ministry of Supply advised all producers with whom it had contracts that it would not be exercising its option to renew these contracts on 1 November.\(^{216}\) This announcement was not made public until December, but in Northern Rhodesia, Sir John Waddington wanted to inform Roy Welensky, so as to retain his confidence.\(^{217}\) The situation by November was that the Canadians were trying to maintain their rate of production by selling all their copper – surplus to British
requirements – to the United States. For the Ministry of Supply, keen to see production reduced all round, the preferred outcome would see the Americans buying their copper from Canada and the Belgian Congo, while Britain would take a ‘substantially higher’ proportion from Northern Rhodesia than from Canada, and none from the Belgian Congo. The Colonial Office appreciated the Ministry of Supply’s efforts on the Copperbelt’s behalf, but feared that if the Congo and Canada made their own arrangements with Washington, Northern Rhodesia would be the only major producer to suffer a large decrease in its output in 1945, which would be ‘very embarrassing’ politically both for the Colonial Secretary and the authorities in Lusaka. Stanley was adamant that any cuts affecting Northern Rhodesia must be balanced by equivalent cuts from the Congo. The Office therefore hoped that the existing contracts could be extended into Spring 1945.

Compounding these questions concerning future production was the problem of the wartime accumulation of large stocks of copper, intended to be an insurance against interrupted supplies. The Northern Rhodesian producers, anxious that they should not be penalised because of the existence of these stocks, felt that the problem required inter-governmental co-operation. Late in November, the Northern Rhodesian government was embarrassed by an unauthorised report in the Bulawayo Chronicle that London had proposed an international conference to discuss post-war copper production and the disposal of stocks. The report had also referred to the Ministry of Supply’s decision not to renew its Empire copper contracts. This placed Waddington in an awkward position. The governor would have liked some advance warning of this news, as he needed to consult both NORCOM and the MWU, representatives of which he planned to meet at the end of November, to discuss the termination of their contracts in January, and to explain that the British government was trying to spread the curtailed production over several months so as to avoid a sudden increase in unemployment. He also intended to emphasise that Northern Rhodesia was no longer a cheap producer of copper, and that its survival hinged on reducing its costs. Facing severe international competition in a restricted market, the industry, on which the territory’s economic future depended, could, he would argue, no longer afford industrial strife. An already fluid situation was complicated further when, at the end of November, the US authorities abruptly revised their estimates of copper consumption, in view of the latest military reports from Western Europe. As a result, Washington asked the British government not to cut copper production any further.
Overshadowing discussions on revising the Ministry of Supply’s contracts was the mining companies’ threat to suspend their Copperbelt operations unless they secured an acceptable price. The Colonial Office emphasised that neither it nor Lusaka could permit copper production to cease, nevertheless officials realised the importance of ensuring that the formula eventually agreed with the Ministry of Supply should allow the producers some profit, otherwise the effects on Northern Rhodesian revenues might be serious. By the end of 1944, the Ministry of Supply’s original proposals had been amended. The Ministry now planned to offer to underwrite production of up to 160,000 tons in 1945, agreeing to buy, at a price yet to be fixed, any part of that total which could not be sold elsewhere. While the Colonial Office welcomed this suggestion, as it would encourage the Copperbelt producers to venture into new markets, the Northern Rhodesian government stressed the scheme’s disadvantage, namely that it gave no absolute guarantee of production up to an agreed maximum. Although generally good for the companies (assuming that they received an acceptable price), the scheme did not secure Northern Rhodesia’s economic position during the transition period. One Colonial Office reservation about the new proposals was that their success depended on the assumption that US demand for copper did not again throw any arrangements into confusion. Yet it was the mining companies themselves who introduced an entirely new element into continuing discussions in December by offering their entire output after January 1945 to the US authorities, who could pay over £60 per ton, compared to the Ministry of Supply’s offer, which started at around £43 per ton. As Sir John Waddington pointed out in the Legislative Council’s opening session, this meant that the US contracts, together with Ministry of Supply purchases, would absorb most of the Copperbelt’s production at the current rate. An important consequence of this was that the companies were, apparently, no longer talking of suspending their operations. The Ministry of Supply, however, was less sanguine, believing that the closure of Roan and Nchanga was still possible. For the Colonial Office, the immediate concern was the likely effects of a closure on the workforce. It was particularly unfortunate that this arose during problems at Nchanga, where, after a six-weeks’ strike, the management had asked the authorities for permission to close the mine. After a general ballot of its members, the MWU decided to end the action. In the Colonial Office’s view, if the companies threatened to close the mines unless the men resumed work, and the strike then ended, it would be impossible
to close Nchanga on production grounds. Some temporary reassurance was provided late in December, when both mining groups confirmed that they intended to maintain current levels of production until the end of March 1945, provided the labour position allowed this. Arguably, this was an attempt by the companies to transfer responsibility for future developments squarely onto the MWU’s shoulders.

One important consequence of the companies’ willingness to explore other markets, and particularly their deal with Washington, was mine managements’ need to know whether the Northern Rhodesian government intended to retain its Emergency Powers Regulations into 1945, as this would have important implications for the labour situation, and therefore for likely output. The companies wanted the regulations to be lifted, helping to ‘clear the air’ on the Copperbelt and improve efficiency. The Ministry of Supply had no objection, provided the companies could fulfil any US contract without obtaining manpower controls. The Colonial Office, however, believed that the companies had quite different motives, namely the desire to rid themselves of militant elements. A further question was whether it would be practicable to lift the regulations, given their importance in dealing with the strike then affecting the Copperbelt. Moreover, once the controls were lifted, the local authorities risked losing the co-operation of Welensky. Stanley judged that, in view of the existing situation, it would be premature to remove the controls, although he felt that they could be administered in a ‘liberal’ way.

The ever-changing context of production was demonstrated by a further shift in US thinking, announced late in December 1944, following the German counter-offensive in the Ardennes. Washington now sought maintained production levels for the first half of 1945, with the US taking the exportable surpluses of Canadian, Katangese and South African copper, leaving Britain responsible for Northern Rhodesian output, apart from 27,000 tons which the US would buy during the first quarter of 1945. Provided that the war situation allowed it, and that output could be raised at short notice, Washington would accept some reduction in Copperbelt production in the second half of 1945. For the Colonial Office this again raised the problem that it would be very ‘awkward’ if Northern Rhodesia had to cut its output in the second quarter of 1945, while the Belgian Congo and the other Empire producers continued at maximum output. However, at a meeting of interested Whitehall departments soon afterwards, it was agreed, on supply grounds, that production in Northern Rhodesia should be maintained until the end of June, unless there was a change...
in the war situation. It was also agreed that the Ministry of Supply would offer to buy a maximum of 50,000 tons (that is, the output for the second quarter) at the ‘American’ price, approximately £52 per ton (blister) and £60 per ton (electrolytic). 233 Although the situation seemed to have improved, the mining companies still professed to be pessimistic. Prain, for example, warned the Colonial Office that he doubted whether the market for copper would allow the companies to continue production after the end of June, adding that if the rate of production declined considerably the companies’ overheads would increase. If this situation seemed likely to persist for several years, the most economical course would be to close down the mines. The Colonial Office believed that this kind of ‘propaganda’ must be discounted: from the Northern Rhodesian government’s point of view, it was ‘essential’ that large-scale copper production should continue. 234 Early in 1945, Prain considered that the British authorities were exaggerating the need for a gradual scaling down of production, permitting adjustments to the labour force. He took the sanguine view that, even with a sharp cut in production, development work and stock-piling for post-war needs would absorb labour otherwise surplus to requirements. 235 The authorities in Lusaka, however, were convinced that the companies wanted to resolve the labour question before the existing employment agreement expired at the end of 1945, noting that conditions on the Copperbelt were likely to become ‘thoroughly disturbed’ from the autumn onwards. 236 By April, although the Ministry of Supply had indicated its willingness to buy the companies’ full production in the third quarter of 1945, Prain was proposing a ‘small’ cut in Roan’s output, and a ‘considerable’ further cut in production at Mufulira, where the company wanted to focus on development work, and to reduce the European labour force through ‘natural wastage’. 237 By mid-1945, it was assumed in Whitehall that Northern Rhodesia’s copper output would be around 200,000 tons a year, compared with 221,000 tons in 1944 and 250,000 tons in 1942/3. 238 The Ministry of Supply had agreed to continue taking Northern Rhodesian copper until the end of September 1945, but the mining companies themselves seemed eager to move into other markets. With the United States understood to be scaling down its contracts with overseas producers, the Copperbelt faced a period of uncertainty. No definite plans for the international regulation of copper had been forthcoming, and in the discussions of the Interdepartmental Commodity Policy Group in Whitehall, the issue of copper’s future had been eclipsed by the need to resolve the problems facing other commodities, especially cotton. 239
In March 1945, the Bank of England broached the subject of reopening the London Metal Exchange with the Treasury. A working party, consisting of representatives of the LME, the Bank of England, the Treasury and the Ministry of Supply, was set up to examine this question. Although in August it appeared that agreement had been reached, the change of government that summer led to the postponement of a firm decision as Whitehall’s energies were deflected towards securing the vital post-war American loan.240 Once again, the Colonial Office had been marginalised in these discussions. During the first half of 1944, the Office’s Economic Division had begun to examine the broad question of decontrol of the export trade of the colonial empire, particularly the resumption of peacetime methods of marketing. The key question had been whether pre-war arrangements should be restored once controls were lifted, or whether the opportunity should be taken to introduce a better system. Officials reached the unsurprising conclusion that the pre-war system had many disadvantages, above all the price instability which affected nearly all colonial producers.241

The overall impact of the war

By the end of the war, Northern Rhodesia had become established as one of the world’s leading producers of copper, supplying approximately one-eighth of the West’s total output.242 The colony underwent considerable economic expansion and diversification during the war, nevertheless, the overall impact of the war has generally been judged to have involved the perpetuation of ‘growth without development’. Although minerals accounted for around 90 per cent of Northern Rhodesia’s exports by value during the war years, few positive effects spread from copper mining to other sectors of the territory’s economy.243 On the adverse side, as in many parts of British Africa, the infrastructure of Northern Rhodesia was severely strained by the war, a situation which would persist into the post-war years. In particular, the railway system struggled to meet the new demands placed on it. The coalfields of Wankie (Hwange) in Southern Rhodesia, the only coal resource in the region, could not satisfy their greatly expanded customer base, and securing adequate fuel supplies became a major problem for the Copperbelt. The flow (and increased price) of capital goods and machinery, needed to replenish the mines, was another cause for concern as traditional exporters turned to more lucrative markets.244 Perhaps the most fundamental, and far-reaching, change arising from the war was that Northern Rhodesia no longer a low-cost
producer of copper, relative to other producers. The real cost of producing copper rose by 27 per cent per ton (at Roan Antelope) and 53 per cent (at Mufulira).245 Crucially, as a result of wartime developments, labour had become much more expensive: European and African labour costs were 30 per cent and 25 per cent lower respectively before the war. The manpower shortage, and the wartime need to expand production, had strengthened the bargaining position of European workers. Moreover, the Copperbelt’s working population emerged from the war much expanded.246 The European labour force had also been able to prevent ‘dilution’ of skilled labour by African workers willing to do the same work at a lower rate, a situation which further seemed to strengthen its position. Yet African workers, too, seemed to be in a much stronger position. After all, the supply of workers from the reserves was not inexhaustible. African workers were remaining on the Copperbelt for longer periods, and becoming ‘stabilised’. They could not be indifferent to the demands of their European co-workers, and became increasingly likely to make more ambitious demands themselves.247 Altogether, as Berger notes, the mine companies would find that their freedom of action, especially over issues where the interests of European and African workers collided, was constrained by the wartime compromises managers had forged with the MWU.248

Wartime practices increased the likelihood of future technical complications. Given the overriding pressure to maximise production, the mining companies had not only increased their capacity, but had tended to work the highest grade and most accessible deposits. Once these had been exhausted, deeper mining would become necessary, bringing with it greater difficulty and increased cost. A further worry, enhanced by wartime developments, was the danger that consumers might switch to cheaper alternatives to copper, especially aluminium. The use of aluminium, and of light metals generally, had expanded dramatically during war, most obviously in the aircraft industry. A real fear developed that substitution might spread into other industries if copper’s price became uncompetitive.249 Compounding these difficulties were financial complications arising from the burden of royalty payments, payable to the BSAC. Because these were linked to the price of copper, rather than to profits made, they threatened to become an increasing burden for the mining companies, should the price of copper increase in the post-war period.250 On the other hand, as Phillips has pointed out, the BSAC actually helped the mining companies in 1940 by agreeing to use £50 per long ton as a fixed price for the calculation of royalty payments.251
It is, perhaps, tempting to see the colonial state and its imperial counterpart as captives of major business interests, such as the mining companies, because of its dependence on them for uninterrupted commodity production during and after the war. This situation, arguably, blunted the state’s willingness to confront the producers over vital issues of labour policy. Alternatively, it could be argued that bulk-purchasing had placed the state in the driving seat, in a much stronger position than before the war to dictate important aspects of policy. Shifts in the relative power of business and the colonial state have certainly been noticed in other contexts. In West Africa, for example, Meredith notes that even in the early years of the war when expatriate firms were highly influential, there was some resistance to their demands from the colonial authorities, while later in the war and immediately afterwards, these firms had proved unable to prevent the imposition of a post-war state marketing system. Similarly, in charting the fortunes of the East African sisal industry, Westcott has shown that the interests of the British Exchequer, in terms of dollar earning, took precedence over any sectional interests within the industry.252

A further important change, which would anticipate some of the volatility in post-war Central Africa, came in the strictly political sphere. In 1945, bowing in part to persistent white settler demands for greater autonomy, London surrendered the ‘official’ majority on the Northern Rhodesian Legislative Council. The new ‘nominated’, or ‘unofficial’ members appointed to the Council included the managing director of Rhokana, as representative of the mining industry, a response, perhaps, to wartime complaints that the industry had no effective representation in the legislature, a disadvantage when matters of critical concern to mining, such as labour issues, were being discussed.253 While this change in composition did not immediately bring the settlers the authority they craved, it nevertheless signalled their growing confidence, and implied that the dominance which the pre-war copper industry had enjoyed in the territory had, like so much else, been eroded by the impact of war.254
Post-war conditions

After 1945, nearly all colonial exports were in greater demand than ever before, and copper was no exception.¹ Contrary to expectations, the wartime demand for copper and other minerals persisted after 1945, and the anticipated post-war surpluses of commodities proved illusory. By spring 1946, the mining companies were gripped by a new optimism, and were planning for expansion in the belief that current demand would persist for another four to five years.² Among the reasons for this situation in the period immediately after the war were pent-up demand arising from wartime shortages, the disruption of world production by strikes, and the very high level of United States’ copper consumption, fuelled by the wartime expansion of industry, making the US a net importer of copper.³ Furthermore, because internal production could not satisfy US needs, Washington suspended the copper tariff in April 1947. Apart from a period between July 1950 and April 1951, the tariff remained suspended until July 1958.⁴ Additional demand came from the recovery of Europe, witnessed above all in rapid German reconstruction. Britain’s acute need to curtail dollar expenditure in the post-war period gave Northern Rhodesia a particular advantage. Metropolitan economic recovery depended on rebuilding Britain’s export markets, since overseas earnings were insufficient to underwrite imports. The most saleable goods included the products of the electrical engineering industry, a large copper consumer. To conserve scarce dollars, Britain took most of its copper from the Copperbelt, in preference to dollar sources, such as Canada.⁵ In these conditions, the Copperbelt entered a boom period which lasted from 1946 until the mid-1950s. During this period, the price of copper
trebled (initially reflecting the general post-war inflationary trend), and Northern Rhodesia’s output doubled. Between 1946 and 1953, the value of the territory’s copper sales increased by 700 per cent. Altogether, the territory’s copper exports accounted for an average of 86.5 per cent of all exports between 1945 and 1953. Accompanying the increased volume of sales, and contradicting British government predictions, was the dramatically enhanced post-war price of copper. From the controlled wartime price of £62.10.0 per ton, the price had risen to £137.0.0 in March 1947. By 1952, this had reached £259 per ton, and by 1956, it had soared to £420 per long ton. Both price and demand were stimulated by the effects of British devaluation in 1949, and by the outbreak of the Korean War in 1950. By 1951, rearmament in Britain and the United States had created a serious world shortage of copper. Few contemporaries, of whom Ronald Prain was one, appreciated that prices higher than could be maintained consistently were not in the Copperbelt’s long-term interests. For example, high prices tended to mean that wages became ‘excessive’, and once prices fell, as they normally did, it became extremely difficult to make corresponding cuts in pay. Moreover, the fear that high copper prices would encourage the substitution of other materials was ever-present.

Post-war boom conditions gradually brought the Copperbelt’s existing capacity back into full use. Each mining group began development of another major mine, but neither of these reached the production stage before prices slumped in the mid-1950s, progress being impeded by the time-lag between the planning and development stages. Significantly, none of the new mines reached the scale of production of those opened before 1939, nor did they possess such large ore bodies. This made decisions on whether to open them, and at what rate to fix production, difficult. An important factor in the Copperbelt’s post-war expansion was that the mining industry was not a cartel. The Northern Rhodesian copper companies could not control investment decisions made in other copper-producing countries. Because these producers, encouraged by high prices, were themselves increasing output, and because production costs on the Copperbelt were rising, it arguably made sense not to postpone expansion programmes, unless expansion would produce a fall in profits. From the companies’ point of view, the price level was less crucial during the development phase, or during a mine’s lifetime: more important was that the price should be high when loan finance was being sought, that is before development commenced, and at the point where loans had to be repaid (typically around five years after a mine entered the production stage).
An important development on the Copperbelt during this period was the extension of copper refining. In 1946, Rhokana and Nchanga combined forces to create Rhodesia Copper Refineries Ltd, allowing the production of higher-grade electrolytic copper. The Ministry of Supply supported the case for authorising the necessary capital by the Capital Issues Committee in London, on the grounds that copper consumption was likely to increase (while US production might decline), there was a strong demand for electrolytic copper, and that refining in Africa was relatively cheap, and likely to remain so. Local processing would also save precious dollars, because Northern Rhodesian copper was currently being shipped to the United States for electrolytic refining. For its part, the Treasury welcomed the prospect of substantial orders for the necessary plant and equipment being placed in Britain. RST only started to refine its copper in Northern Rhodesia in the post-war period, and until it had the capacity to refine all its output, some copper had to be sent overseas for refining. In 1948, Mufulira decided to build a refinery, in response to demand in Britain for electrolytic copper. Given growing demand in Britain, there seemed little doubt that Mufulira would have no problem finding a market for its refined copper. Again, the decision to build the refinery in Northern Rhodesia, rather than in Britain, was taken mainly on cost grounds, since not only would labour costs be significantly less, but the plant would (in theory) have access to cheap coal from Wankie. Mufulira originally decided to build a refinery with a capacity of 36,000 tons refined copper a year, representing about half the mine’s output, at an estimated cost of £1.5 million. However, in 1951 the company judged it worthwhile to double the refinery’s capacity, at a cost of a further £1.5 million, this second stage to become operational in 1954. By 1951, of the approximately 300,000 tons of copper being produced by Northern Rhodesia, about one third was electrolytic.

The convertibility crisis and the colonies

Britain’s chronic post-war dollar shortage arose because exports to, and invisible earnings in, the dollar area had collapsed during the war. Because the dollar area was effectively the only source of many raw materials and manufactured goods, dollars were at a premium throughout the world. Britain’s most pressing concern in economic policy was therefore to bring its trade with the dollar area into balance. Until summer 1947, London controlled colonial dollar spending by ‘informal’ means, and much initiative was left with each member of
the Sterling Area. This policy was unsuccessful, because most independent Sterling Area countries were unwilling to subordinate their own needs to those of the grouping as a whole, or of Britain. The failure of the convertibility operation in August 1947 triggered a massive mobilisation of colonial economic resources designed to secure metropolitan economic recovery. Each colony was urged to limit imports to ‘minimum essentials’, and to live as far as possible within the income it earned. As the Colonial Secretary, Arthur Creech Jones, told the colonies, in addition to controlling their own imports and avoiding dollar expenditure, the most important long-term contribution they could make was to maximise production of dollar-earning commodities. Early in September, Creech Jones was obliged to address colonial governments again, instructing them to reinstate the wartime regime of import controls. Henceforth, the licensing of colonial imports of capital development goods would be approved only where imports would lead to dollar-earning or -saving production which would more than repay the cost of the imports within two years.

One indication that this strand of thinking existed prior to onset of crisis was the creation of the Colonial Primary Produce Committee in May 1947, intended to examine, commodity by commodity, the scope for increased colonial production, bearing in mind Britain’s growing balance of payments problem, particularly its growing dollar deficit. The CPPC, comprising representatives of the Colonial Office, the Ministries of Food and Supply and the Board of Trade, suggests an early recognition by London that a colonial contribution to metropolitan recovery would have to be planned. The colonial economies, quite simply, could be controlled by Britain to a degree which the Sterling Area’s independent members could not. In this context, Northern Rhodesia’s role was clearly to produce more dollar-saving copper. In August 1947, a Metals and Minerals Panel of the CPPC was created, charged with investigating the resources and production of metals within the colonial empire, particularly from the viewpoint of dollar earnings. The full scale of the British government’s interest in the colonies’ possible economic contribution to recovery became clear soon after the sterling crisis, and was evident at the highest level of government. For example, the Foreign Secretary, Ernest Bevin, was convinced that it would never be possible to balance Britain’s imports from the United States by exports of manufactured goods alone. Steps were therefore needed to determine which raw materials had been scarce in the US when the latter entered the war, and the extent to
which current shortages could be met from colonial exports, involving a thorough investigation of the colonies’ resources and potential. The resulting assessment, conducted with unusual speed, suggested that there were longer-term possibilities of expanding colonial output of copper. The immediate obstacle, endemic in post-war colonial development, was the scarcity of essential capital equipment. In September 1947, Bevin urged Creech Jones to have the colonies’ potential to contribute to the balance of payments considered interdepartmentally. Convinced of Britain’s need to free itself of financial dependence on the United States as soon as possible, and of its need for raw materials with which to buy food and other requirements, Bevin called for a body which could examine the entire problem of colonial development. He noted that some raw materials available within the Empire, including copper, were scarce in the dollar area. Similarily, addressing African colonial governors in November 1947, the Minister for Economic Affairs, Sir Stafford Cripps argued that the development of African resources was vitally important to the world economy, and stressed the need to accelerate the development of commodities such as minerals during the ensuing 2–5 years. Cripps’ address demonstrated that the sterling crisis had provoked a more focussed British policy towards colonial (especially African) resources. Henceforth, the thrust of British colonial economic policy would be to maximise commodity production that would save or earn dollars.

Bevin’s suggestion led, early in 1948, to the creation in Whitehall of a Colonial Development Working Party. Ministers had agreed that a comprehensive review of colonial development was desirable, not least because it would enable the British government to show the United States that steps were being taken to achieve long-term viability. The Working Party’s remit was to review the colonies’ needs for capital equipment, to examine colonial investment programmes, and to consider the question of priorities and allocations of material. The initial work of the CDWP was reinforced by the establishment in December 1948 of a Cabinet Committee on Colonial Development, with responsibility for examining means of achieving closer co-ordination of colonial and metropolitan economic planning. Among government ministers, Bevin was not alone in his enthusiasm for colonial development and the potential it offered. The mood in Whitehall was captured by the Minister of Defence, A.V. Alexander, in October 1949. Summarising the government’s major priorities, he included the rapid achievement of colonial development as being essential to raised living standards for the British population. In the frenetic activity following
the convertibility crisis, expectations of what might be achieved in colonial development reached quite unrealistic levels, and it was inevitable that disappointment among the ill-informed would ensue. For example, Field Marshal Viscount Montgomery, the Chief of the Imperial General Staff, returned from a tour of Africa in 1947, brimming with excitement about the scope for development in Africa, seeing raw materials, minerals and labour existing in ‘almost unlimited quantities’: all that was needed, he characteristically thought, was a ‘grand design’. The Colonial Office struggled at times to justify the new course in economic policy, portraying it as creating an opportunity for the colonies and for Britain. Creech Jones’ colleague in the Fabian Colonial Bureau, Dr. Rita Hinden, while admitting the dangers of structural imbalance in the colonial economies, had already rehearsed the central proposition of the pre-war ‘Dual Mandate’ by asserting that ‘The world has a right to the use of valuable minerals and raw materials and the colonies have a duty to produce them’.

During the post-war years, copper production within the Sterling Area rose steadily. By 1951, the Area’s consumption (approximately 420,000 tons) was almost covered by Sterling Area output. By then, while production had risen, consumption had broadly been constant, and the increase in Sterling Area production had outpaced that in the world as a whole. In the early 1950s, therefore, the Sterling Area appeared to be on the brink of self-sufficiency in copper, with the possibility that it might become a net exporter of the metal. Northern Rhodesia was by far the most important supplier of copper within the Area, which excluded Canada. The Copperbelt’s expanded role had consequences for other producers, too. As the Ministry of Materials told the Chilean government in 1952, expanded Northern Rhodesian production since 1939 meant that while Britain would still be keen to import several thousand tons of copper from Chile, it would no longer require quantities of 100,000 tons or more as in the past. Yet there could be no complacency in British official circles. In June 1952, Harold Macmillan told his Cabinet colleagues that Britain needed a ‘systematic and continuing policy’ to reduce imports from the dollar area and other areas with which it was in deficit. Wherever possible, he added, these imports should be replaced from Sterling Area sources, and alternative supplies of commodities currently imported from outside the Sterling Area should be developed. Macmillan cited copper as a material potentially obtainable from within the Commonwealth. The Colonial Secretary, Oliver Lyttelton, had anticipated this in 1951 by requesting a study of the possibilities of increasing colonial
production of the raw materials Britain needed, and of ensuring that more colonial exports went to Britain rather than less ‘desirable’ markets. Lyttelton, who was convinced that developing colonial productive capacity might ultimately be Britain’s salvation, called this strategy ‘a dual mandate of which many might be proud’. Among the few items whose output the Colonial Office thought could be expanded significantly was copper.

**Bulk-buying**

One early casualty of the convertibility crisis were plans to re-open the London Metal Exchange, a reversion to ‘normal’ metals trading favoured by Whitehall’s Bulk Purchases Committee. At the end of 1946, the government agreed that the Ministry of Supply, the Treasury and the Bank of England should examine the implications of re-opening the Exchange. By this stage, the Ministry of Supply was already concerned about the availability of non-ferrous metals, and now felt that an early re-opening of the LME would be precipitate. A basic problem for Britain was simply that the United States could pay more than Britain for raw materials. For instance, the scrapping of the price ceiling for copper by the Americans in 1946 had created serious difficulties for Britain. In February 1947, representatives of the metals trades asked the Bank about the prospects for reopening the LME, but approaches to the Treasury yielded little of substance. By April 1947, all that the Bank could report was that the situation was being kept under review in Whitehall. Any official impetus was interrupted by the convertibility crisis. In 1947, the Ministry of Supply reverted to bulk-buying, suspended in 1944; and this continued until 1953. Under the renewed arrangements, the Ministry remained the sole purchaser of copper, taking most of Northern Rhodesia’s output. In contrast to the wartime system, however, when the price paid was based on the price of copper in September 1939, the price now reverted to the ‘open market’. But since the LME remained closed, the Ministry opted for the ‘E and MJ’ price, a quotation in US dollars, published by *Engineering and Mining Journal* in New York. This weighted average of all known sales, calculated on a daily, weekly and monthly basis, was intended to help buyers and sellers to settle at prices which accurately reflected the market, but, being pegged to the New York market, was below a genuinely free market price. To the mining companies, who argued plausibly that after 1947, their copper production was as important to Britain as it had been during the war, bulk-buying represented no great
hardship. Their contracts with the Ministry of Supply were not for periods long enough to prevent the companies benefiting from rising prices.\textsuperscript{51} Described in Whitehall as an informal, ‘gentleman’s agreement’, the arrangements enabled the British government to have first call on Copperbelt production, and so meet most of Britain’s requirements.\textsuperscript{52} For the government, a key advantage of the regime was that the Ministry of Supply could deal with a small number of major producers. Equally, it could be argued, the system benefited the copper companies, in that when the LME had been open, traders could buy modest quantities of copper from small producers, and thereby exercise a disproportionate, distorting influence on prices.\textsuperscript{53} There remained concern within the industry, however, about the inflationary tendency attributed to bulk-purchasing, and the possibility that producers might be blamed for ever-increasing copper prices: these, it was feared, might provide ammunition for those keen to nationalise the industry.\textsuperscript{54}

Before the reintroduction of bulk-buying in 1947, the Ministry of Supply was keen to keep the price of copper as low as possible, particularly since Britain seemed likely to be a net importer of dollar copper for some years. Because the copper companies had enjoyed a long spell of relatively high prices, the Ministry felt no obligation to maintain prices at an ‘artificially’ high level. Moreover, it was thought, low prices might remove some low-cost American production, compelling the US to import more, from newly-available production in Northern Rhodesia and elsewhere, helping to circulate precious dollars more widely.\textsuperscript{55} In mid-1949, controversy developed over the Ministry of Supply’s pricing policy, when prices on the New York market began to fall. Under the existing arrangements, the prices which the Ministry paid to the Copperbelt companies were set six months in advance of the New York price cut (in relation to the RST group) and three months (in relation to the RAA group). This practice worked well when the Ministry bought in a rising market, but once the price had fallen, and further falls were expected, the Ministry faced losses on its copper transactions, and possible political criticism. It was therefore keen to cut its prices, bringing them into line with the US price. Among the justifications which the Ministry could deploy was that high copper prices might damage the British export drive. The Ministry also wanted to stop paying the freight charges (US to London) on the copper it bought, having paid these on the grounds that had it bought US copper, it would have had to pay Atlantic freight charges in addition. The Ministry anticipated resistance from the copper producers, who might demand the right to sell their copper elsewhere, forcing the
Ministry to buy copper from dollar sources. At a time when Northern Rhodesia was supplying two-thirds of Britain’s total copper needs, the Ministry was keen to investigate the scope for export control to ensure that Copperbelt producers shipped almost their entire output to Britain. From the Ministry’s point of view, the issue was whether copper producers could be persuaded to make sacrifices, in the interests of the Sterling Area’s balance of payments, by ignoring other, more profitable non-dollar markets. The Ministry of Supply’s proposal evoked a mixed response within the Colonial Office. To Andrew Cohen, the plan was ‘quite indefensible’: when the copper market was rising, the Ministry of Supply did ‘reasonably well’ from its bulk purchases. Moreover, imposing export controls would be contrary to the interests of the Northern Rhodesian government, and ‘entirely contrary’ to the policy for raw materials purchases to which the British government was publicly committed. The proposed price cut would ‘almost certainly’ cause a ‘political storm’ in Northern Rhodesia, where the Ministry of Supply’s reputation was already vulnerable. Responding to the Ministry, the Colonial Office argued that while Lusaka could control exports in the public interest, the Colonial Office could not request this simply to secure a lower price for the Ministry, a move which would be open to serious political objections. Nor would it be reasonable to intervene to prevent the mining companies getting a better price for their copper outside Britain. Meanwhile, parliamentary pressure led the government to appoint a committee, chaired by the former joint Permanent Under-Secretary at the War Office, Sir Frederick Bovenschen, to investigate the non-ferrous metals situation. The Bovenschen Committee concluded in favour of reopening the markets in copper and other metals, so long as the Treasury and the Bank could resolve any currency risks involved, such as direct dollar losses. While the committee worked, a separate committee chaired by the Ministry of Supply examined the arguments for abandoning state trading in metals. Among these was the Bank’s belief that possible currency risks had to be weighed against potential gains accruing from sterling being made more attractive by the reopening of the London international markets. Having heard evidence from all interested parties, the Bovenschen Committee reported, in April 1949, in favour of reopening the LME and restoring hedging facilities for the main non-ferrous metals when currency and supply conditions permitted. During the committee’s deliberations, Prain had given evidence, questioning the rationale for re-opening the market, unless it were a genuinely free market, to which overseas traders had access. The Treasury, however,
fearing that dollar control problems would increase, was unwilling to see
the LME re-opened at that point.\textsuperscript{61} In the event, the outbreak of the
Korean War and resulting intensification of the non-ferrous metals short-
age led to further postponement of these discussions. Only once this had
been resolved could market liberalisation be considered.

The devaluation of sterling

The devaluation of the pound by almost one-third against the dollar in
September 1949, intended to divert British and Sterling Area exports to
lucrative dollar markets, had important consequences for the copper
industry: immediately, the sterling price of copper rose by nearly a
half.\textsuperscript{62} As a result, Britain had to pay more of its depreciated currency
for copper, and other imports.\textsuperscript{63} Soon after devaluation, the Ministry of
Supply again proposed cutting the price it paid under the existing
bulk-purchasing contracts. There was an argument for acquiescence in
this change on the part of the mining companies, in that British man-
ufacturers who used Northern Rhodesian copper would have less scope
to complain about its price. But, on balance, both mining groups insisted
they should receive the \textit{full} benefit of devaluation, with the Ministry of
Supply awarding a corresponding rise in the sterling price it paid.\textsuperscript{64} In a
letter calculated to capitalise on government preoccupations, Ronald
Prain argued that a multiple pricing system would be confusing in a
world market, and would deny the Copperbelt’s patient shareholders
the full benefit of devaluation, which, by weakening his company’s
share price, would also damage its financial position. Moreover, workers’
bonuses, linked to the price of copper, would suffer, in turn risking
industrial unrest. While a price cut would, admittedly, help British
manufacturers, any resulting impact on Lusaka’s revenues was poten-
tially worrying, because local politicians might attempt to recoup their
tax losses in other ways. Here, Prain had in mind the recent introd-
cution of a 20 per cent tax on the royalties payable to the BSAC.\textsuperscript{65}
Presumably as Prain had anticipated, the companies won the support
of the Northern Rhodesian government, fearful of the revenue implica-
tions of the proposed price cut. Governor Rennie felt strongly that the
price producers received should be directly related to American prices,
at least until the effects of devaluation on the costs of production
could be gauged, otherwise the consequences for Northern Rhodesia’s
development programme might be ‘disastrous’. Consultation with the
Northern Rhodesian government was therefore necessary to avoid the
‘most unfortunate’ financial and political repercussions.\textsuperscript{66}
While the Ministry of Supply eventually agreed to give the mining companies the full advantage of the effects of devaluation, by paying the current US market price, the question remained of subtracting freight costs (equivalent to from US to Britain) from this price. The mining companies were, predictably, hostile, but the Ministry found itself in an awkward situation: in the interests of the export drive, that is, to put British industry on an internationally competitive basis, the Ministry was selling copper to British consumers at a loss, while the mining companies argued that they could obtain a better price for their copper in Europe. Initially, the Colonial Office told Lusaka that the Ministry of Supply’s policy could not credibly be criticised for exploiting Northern Rhodesia. Leaving aside the freight issue, Britain was not, it claimed, trying to pay less than it would for copper from other sources. Also, the argument that Copperbelt producers could get higher prices in other markets could be offset by the fact that the Ministry’s action was taken in the interests of the entire Sterling Area, including Northern Rhodesia. The companies resisted the proposed £10 per ton price reduction (to cover freight charges) partly because of the delay they experienced in reaping the benefits of devaluation, itself the result of the Ministry of Supply’s forward pricing policy, and because they expected their costs, especially wages, to rise. The reduction of £5 per ton which the companies offered would, they claimed, cost them £1 million. They cited the Northern Rhodesian government’s insistence that they should not sell their copper at less than the current world price, and that further concessions would require consultations with the government and the trade unions. The companies therefore used the leverage offered by the territory’s troubled industrial relations position, implying that acceptance of the Ministry of Supply’s proposal might trigger fresh unrest, and stressing that a one-week strike would be sufficient to eradicate any benefits from the suggested price cut.

Moreover, the Ministry of Supply’s request for a £10 per ton price cut went far beyond what the Colonial Office considered was reasonable, because it would result in payment below the world price. It appeared to the Colonial Office that Copperbelt producers were being asked to surrender part of the benefits accruing from devaluation for the benefit of the Sterling Area as a whole. This raised an important point of principle affecting the arrangements for buying colonial produce. The Colonial Secretary stressed that there was no reciprocal arrangement under which the colonial consumer of imports from Britain shared the benefits of devaluation with British exporters. He was concerned about
the possible political repercussions, especially the reactions of members of the Northern Rhodesian Legislative Council and others, which might adversely affect Britain’s relations with the territory at a delicate time. In his view, the Sterling Area argument should be dropped, and the emphasis placed on the commercial reasons for the price cut. After further reflection, the Ministry of Supply agreed that the price it paid should be the sterling equivalent of the New York price, and no more. The Ministry had accepted an offer, made by the companies which produced copper refined in Britain, to accept a price representing the sterling equivalent of the New York price for electrolytic copper, and to have that copper refined in Britain at their own expense. Those companies which sent their copper overseas for refining had accepted the Ministry’s proposal for a price cut which, as well as covering the freight factor, provided for a contribution towards refining costs. The Colonial Office believed that this was a satisfactory arrangement. Eventually, the mining companies persuaded the Ministry that the only ‘reasonable and logical’ course was for the sterling price ruling in mid-September 1949 to be increased by 44 per cent from that date. Immediately before devaluation, pessimism had once more been evident among Copperbelt managers. Prain, for example, reflected gloomily about RST’s position, given the combination of rising costs and falling prices, especially worrying for a high-cost producer like Roan. However, for the mining companies, devaluation marked the beginning of a period of unprecedented prosperity. Copper’s price was now based on the dollar price, which rose by half between 1949 and 1953. Because of demand arising from Britain’s rearmament programme, the Ministry of Supply was willing to pay even higher prices for copper than those prevailing in New York, in order to ensure adequate supplies. Not only did the mining companies benefit from higher prices: equally important was the fact that, apart from royalties, most of the mines’ costs were ‘sterling driven’, and so not affected by devaluation. The Copperbelt’s significantly improved fortunes were reflected in company profits: for example, Rhokana’s profits rose, in the course of one year, from £6,687,165 to £10,483,687; its dividends similarly rose dramatically, from 120 per cent to 200 per cent. Devaluation also encouraged the development of two new mines, Chibuluma (by RST) and Bancroft (by RAA). Subsequently, Chambishi was revived, its development having been postponed in favour of Mufulira, which was now expanded, along with Nkana. Nchanga became one of the world’s largest, and most profitable, copper mines, paying its first dividend in 1951.
By early 1950, with renewed activity in the metals trade, the LME decided once again to approach Ministry of Supply on the possibility of re-opening. A crucial aspect of the entire question was timing: to delay might risk another country opening a Metal Exchange, which could become the world market, delivering a serious blow to London as the centre of the international metals trade. The value of having the Exchange in London was ‘obvious’ to a country with virtually no non-ferrous metals supplies of its own. Moreover, the LME had been an important source of invisible revenue. On the other hand, bulk-buying gave the government complete control over the acquisition and disposal of metals. At a time of world shortage, when other countries were exercising control over exports, this might be the only means of securing adequate supplies. Equally, with sterling still non-convertible, it was important that the government should be able to control the amount of currency spent on non-ferrous metals. Were the LME to open, it would have to operate freely: if sterling were weak in relation to most currencies, re-opening the LME might impose on Britain a substantial dollar drain. If the current system were to change, it seemed likely that Britain would have to pay more for its copper, with damaging consequences for the balance of payments, and, without long-term contracts, Britain’s own supplies might be at risk. Furthermore, the Americans, it was thought, would not welcome any British action which tended to increase prices. Put simply, whereas in wartime, supply considerations were dominant, since the war, pricing and currency factors had reasserted themselves. The Copperbelt mining companies, for their part, took differing positions on the question. The RAA companies no longer favoured long-term contracts with the British government, preferring to enter into ‘shadow contracts’ with major British private consumers, against the time when bulk-buying ended, a policy the Ministry of Supply considered ‘sound’. RST, however, opposed any alteration in the existing ‘gentleman’s agreement’, under which the Ministry bought the Copperbelt’s entire output.

Concern remained in Whitehall that to revert to private trading in copper at a time of world shortage might risk price rises which would adversely affect the Sterling Area’s balance of payments. In these conditions, it seemed unwise to surrender Britain’s assured access to virtually all of Northern Rhodesia’s production. With world demand for copper expected to rise by up to 50 per cent, there remained a need not only for economy in the use of copper, but also for greatly expanded production outside the United States. A working party on re-opening the LME (on which the Colonial Office, remarkably, had no
representation), concluded late in 1952 that bulk-buying must continue for the time being. A further complicating factor was the uncertain outlook in Northern Rhodesia, where some were predicting industrial unrest for up to two years, and political instability in Chile, another important source of copper. But the most important concern in Whitehall was that once the LME re-opened, producers would be free to sell wherever they wished, and Britain would lose control of the Copperbelt’s output. While the Northern Rhodesian industry had been of the ‘greatest assistance’ during the period of shortages, it might no longer commit itself to giving priority to the British market. By March 1953, however, the improving supply of copper convinced Duncan Sandys, the Minister of Supply, that conditions were now right for a restoration of private trading, a move both he and the industry would welcome. Moreover, the sales agents for the Copperbelt groups had reassured Whitehall that they would continue to see Britain as their principal market. Accordingly, in April 1953 the Ministry of Supply terminated its contracts with the copper mining companies, and in August the LME re-opened. As Prain put it, with the ending of bulk-purchasing, the mining companies entered period of growing prosperity after the ‘lean’ years of 1930s and 1940s. Between 1945 and 1949, for example, RST, as distinct from the operating mines of Roan and Mufulira, had paid no dividends, using its net profits instead for mining development work. The mining companies could look towards the future with some hope, though much would depend on their ability to resolve labour and infrastructural problems, long postponed by the conditions of intermittent emergency since 1939.

Practical problems: plant, transport and fuel

A major concern in the post-war period was to restore the copper mines to good working order after the strains of wartime production, and the suspension of vital development work. New equipment had to be bought and installed, to replace plant worn out by wartime overuse. The supply problem, which dogged efforts at colonial development in the post-war years, persisted into the early 1950s, aggravated by the competing demands of metropolitan rearmament after 1950. With Britain still unable to satisfy colonial import requirements, strict controls on dollar expenditure by the colonies remained in force. Within the Colonial Office, it was felt that the relative inactivity of the CPPC in considering mineral production, compared to agriculture, reflected pessimism about securing adequate supplies, for example of
steel, given that the Supply Departments in Whitehall seemed to be more concerned about increasing the supply of food. But dominating the post-war years on the Copperbelt were the interlinked problems of energy and transport. Not only did the Copperbelt’s produce have to be conveyed to the coast, on a railway exhausted by wartime overuse, but large quantities of coal from Wankie in Southern Rhodesia had to be transported to Northern Rhodesia, a journey of 500 miles. In 1936, Rhodesia Railways had signed an agreement with the copper companies, under which coal supplies for the Copperbelt would be supplied exclusively by rail, in return for which the copper mines would receive a favourable freight rate, provided that they did not switch to hydro-electricity as their major energy source. Increasingly, however, Rhodesia Railways found it could not meet the terms of this agreement. During the lean years of the 1930s, shortage of capital had prevented railway modernisation, and the condition of the system suffered further from the demands imposed upon it by the war. After 1945, the railway was simply incapable of responding quickly to the Copperbelt’s needs. As early as November 1945, the Railways warned the copper companies that their coal requirements could not be satisfied, triggering a suspension of production between January and May 1946. At a time when the Copperbelt needed 47,000 of coal per month (expected to rise to 50,000 tons during 1947), the Railways could supply less than 41,000 tons. Nor could the Railways meet mining company requests to be accorded higher priority. Following fresh mine closures on the Copperbelt early in 1947, caused by coal shortages, there were renewed discussions on the problem. Intense lobbying within Whitehall during 1946 had led the Ministry of Supply to place priority on deliveries on new locomotives and trucks, some obtained from Canada, to Rhodesia Railways. Having been assured by the Railways that these special measures would solve its difficulties, the Ministry was mystified that the transport problem had arisen with renewed severity. Deliveries of coal during July and August 1947 could satisfy only half the Copperbelt’s capacity, and it seemed that at current performance, deliveries of copper to Britain over the following year would be 40,000 tons less than expected. Moreover, interrupted output would mean not only expensive purchases from dollar sources, but risked aggravating the labour situation on the mines. The authorities in Lusaka did not believe that any serious attempt had been made, meanwhile, to curb Southern Rhodesia’s own ‘excessive’ coal consumption.

Bevin was quick to grasp the significance of Central Africa’s transport problems. Early in 1946, he pressed for improved facilities to convey
minerals to coastal outlets, and the entire question of links to the south was exhaustively examined in Whitehall. As early as August 1947, the Metals and Minerals Panel of the CPPC concluded that the ‘outstanding’ factor limiting increased Copperbelt production was the shortage of locomotives and wagons on Rhodesia Railways. Following his visit to Africa early in 1948, the Paymaster-General reported that, in the short term, if another 500 wagons were made available to transport coal to the Copperbelt, and copper from Northern Rhodesia to the port of Beira, additional copper exports worth £6 million per annum could be achieved. In the longer term, provided the industry received the plant it needed, output could increase from the current 20,000 tons per month to nearly 25,000 tons per month in 1951. Meanwhile, the railway struggled to meet the competing needs of the Copperbelt, the Southern Rhodesian chrome industry and the mining industry in the Belgian Congo. In its final report, the CDWP endorsed the general verdict that a programmed expansion of Copperbelt output depended on coal supplies, railway and port facilities and the availability of steel. Endorsing the Working Party’s report, the Cabinet’s Economic Policy Committee warned against any expectation that reconstructing the Portuguese East African railway and developing the port of Beira would be sufficient to meet the transport needs of Northern and Southern Rhodesia. For its part, Rhodesia Railways was reluctant to embark on a programme of modernisation. The BSAC, which owned Rhodesia Railways, faced continuing pressure from the Southern Rhodesian government, which was keen to nationalise the system. Because the fate of the railway remained uncertain, there was little incentive for further investment by the BSAC. Eventually, with effect from April 1947, the Southern Rhodesian government secured approval to buy Rhodesia Railways. The network was to be run by a new Rhodesia Railways Higher Authority, in which the strongest voice would be the Southern Rhodesian government’s. Henceforth, the Copperbelt would be dealing with a semi-governmental body, lacking a direct interest in the copper industry, nor a primary interest in the economy of Northern Rhodesia. These problems led to sustained lobbying of the British government by the mining companies during 1947. The companies had already resorted to the short-term expedient of gathering firewood from the surrounding bush, involving enormous effort and transport expense, pushing up production costs, but allowing coal to be reserved for the smelters. As the collection radius expanded annually, this operation
became increasingly costly and ecologically questionable, and a more permanent solution was urgently needed. In seeking London’s help, the companies stressed the effects on the metropolitan economy if Northern Rhodesian production were interrupted. The Copperbelt’s coal shortage was obliging Britain to buy copper from dollar sources, mainly Chile, at an estimated cost of between $12 and $16 million per year. By making their case to the Colonial Office and the Ministry of Supply in London, the mining companies hoped to secure leverage over Rhodesia Railways, forcing the latter to give priority to coal deliveries for the Copperbelt. Moreover, it was argued, the existing situation threatened Northern Rhodesia’s agriculture and industry, both of which depended upon sales to the Copperbelt. Furthermore, if the mines were forced to cut production, the resulting unemployment would not only add to the burdens on government relief services (while affecting government revenue), but might lead to discontent among the workforce. Such strong arguments convinced London of the copper companies’ case, but this was not enough to persuade the Rhodesia Railways Higher Authority to attach less importance to its other customers. Although the Ministry of Supply sought a monthly allocation of coal for the Copperbelt of 50,000 tons, the figure eventually agreed was only 39,000 tons. In the face of continuing transport problems, even this figure could not be sustained, being cut to 31,000 tons in the summer of 1948.

Intimately related to these transport difficulties were the problems of the Southern Rhodesian colliery at Wankie, on which the Copperbelt’s power stations and smelters were almost entirely dependent. In 1938, Wankie Colliery had signed an 18-year exclusive agreement under which it would supply the copper mines with coal at the cheap rate of eight shillings per ton. During the years of post-war expansion, coal supplies became increasingly erratic, not only because of transport difficulties, but also because of problems at Wankie itself. Ironically, Wankie’s own expansion during the 1930s had been restricted by the colliery’s dependence on the railways and the Copperbelt as its major consumers: output had actually fallen before the war, thanks largely to declining demand from the Katangese mines, which had developed their own hydroelectric capacity (together with imports of charcoal from Belgium). By 1947, Wankie’s production costs had increased steadily, and, under pressure to increase its revenues, the colliery sought increased payments from the copper companies. While under the 1938 contract, the latter had no obligation to agree to this, it was in their interests to avoid the disruption to their own production
which might follow if Wankie faced financial difficulties. The mines therefore agreed to increase the rate they paid for coal by one shilling per ton.115 Nevertheless, the major practical impediment to expansion on the Copperbelt still remained uncertain coal deliveries.116 During 1947–8, for example, the Mufulira smelter lost production amounting to around 27,000 tons of copper.117 A sudden deterioration in the fuel position in summer 1949 reminded the mining companies that they were ‘entirely in the hands’ of the British government: with Southern Rhodesia apparently ‘riding roughshod’ over all its international and commercial agreements, the Copperbelt was ‘powerless’ without the help of the Ministry of Supply and the Colonial Office in London.118 Among the arguments used by the Colonial Office in its attempts to secure larger allocations of coal for the Copperbelt was copper’s greater dollar value, weight for weight, than Southern Rhodesian chrome, and the greater priority it was accordingly given by the Ministry of Supply.119 As well as the transport problem, shortages of mining machinery at times threatened to interrupt production at Wankie.120 By 1950, with the supply position becoming more hopeful, Wankie was confident that it would acquire the equipment it needed to achieve its planned output for 1953–4. It remained concerned, however, that Rhodesia Railways might not be able to carry coal to its customers.121

By the beginning of 1950, repeated promises of higher coal production had not been translated into larger deliveries to the Copperbelt. While Northern Rhodesia needed an estimated 57,000 tons per month by that time (rising to 80,000 tons a month by 1953), in no month during 1949 had deliveries actually reached 40,000 tons. This was especially worrying, given that Southern Rhodesia’s own needs seemed to rise continually.122 In February 1950, Sir Edwin Plowden of the Central Economic Planning Staff met Sir John Chancellor, Chairman of the Board of Wankie Colliery, and explained the government’s concern to develop the production of dollar-saving copper and other commodities in the Rhodesias. With Britain currently having to buy one-third of its copper from dollar sources, if the Copperbelt could increase its production from 250,000 tons per annum to 350,000 tons by 1953 (a 60 per cent increase on the figure for 1948), the resulting saving to Britain would be of the order of $30 million per annum. This would depend, however, on increased coal supplies. The CEPS had concluded that there was little point making further representations to the Southern Rhodesian government to secure a larger share of Wankie’s output for the Copperbelt. The only solution, it seemed, was for the colliery to produce enough to meet all its customers’ needs.123 Although early in
1950, the general managers of the two copper groups discussed the possibility of acquiring a financial interest in Wankie Colliery, it was realised in London that even if this led to increased production, there was no guarantee that the Copperbelt would receive more coal, because the control of mineral exports was in the hands of the Southern Rhodesian government. Over a year later, the same problems were being discussed: increased copper production depended on the cooperation of Salisbury in making more coal available. By then, it was unclear whether coal or transport was the greater obstacle, but ‘political considerations’ in Southern Rhodesia continued to hinder effective co-operation. For instance, it was rumoured in Central Africa that Salisbury, eyeing the Copperbelt’s revenue-raising potential, was deliberately obstructing the delivery of coal to the mining industry in order to pressurise the copper companies into support for amalgamation of the Rhodesias. Early in 1949, when settler leaders were growing impatient with London, the Chief Secretary of the Central African Council had warned a Colonial Office official that if Britain obstructed the Federal idea, Southern Rhodesia might apply economic pressure on the northern territories by restricting rail traffic for copper shipments. Repeated promises by Southern Rhodesia had failed to produce increased supplies of coal, and, meanwhile, refinery capacity was lying idle. Moreover, although copper had been an important dollar-saver for Britain, by the beginning of 1951, with US rearmament under way, dollar supplies of copper could no longer be assured, making the Copperbelt the only source of copper from which any increased output could be sought. Lusaka, frustrated that Northern Rhodesia had recently been supplying Wankie with more than half of the labour it needed, concluded that only action by London could overcome Salisbury’s apparent disregard of the wider importance of copper to the British and Commonwealth economies, and to the rearmament programme, and the fact that interrupted production on the Copperbelt could trigger large-scale unemployment both in Northern Rhodesia and in Britain.

Responding to Southern Rhodesia’s claim that the key to expanded production from Wankie was for the Rhodesian Native Labour Supply Commission to be allowed to recruit labour in Northern Rhodesia, the Lusaka authorities pointed to Northern Rhodesia’s own serious labour shortages, and stressed Wankie’s inefficiency. Refusing to sanction intensified labour recruitment in his territory, Governor Rennie stressed that, from a political point of view, the timing of the request was ‘most unfortunate’: ‘One of the main arguments put forward against
Federation by its opponents is that it is largely designed to enable Northern Rhodesian Africans to be compelled to go and work in Southern Rhodesia under conditions which are politically undesirable'. Only weeks later, however, the news from Salisbury was that Wankie was producing more coal than the railways could handle: the immediate difficulty, again, appeared to be a shortage of locomotives. Despite the amount of time expended on discussing the Copperbelt’s post-war energy problems, it would be mistaken to see them entirely in negative terms, from the producers’ point of view. Although coal shortages led to under-production, and so involved postponed profits, at a time when the market was rising, this did not necessarily mean that the mining companies lost out: with rising prices, Prain calculated, deferred production may have resulted in an additional £1 million in profit for RST.

From 1947 onwards, the copper industry's frustrating experience in securing adequate coal supplies convinced it that it was no longer bound by its pre-war promise not to develop hydro-electricity. At a government level, interest had already been growing in the possibility of drawing on the potential of the Kafue River, where, since the early 1940s, mining engineers had been arguing for a HEP station, or of the Kariba Gorge on the Zambezi, on the border between the two Rhodesias. In May 1951, the Central African Council recommended that the Kariba scheme would be more economical, providing power to both territories. It was proposed that work should commence on the Kariba scheme, which was planned to come into operation in 1961, with the Kafue project to be re-examined at a later date, as an extension to Kariba. These would, of course, be longer-term solutions, and, meanwhile, RST made its own investigations, hoping to tap into the HEP potential of the Belgian Congo. In July 1951, Prain had discussions with Union Minière and the Société Générale des Forces Hydro-Electriques du Katanga, with a view to developing HEP from the Lualuba River at Le Marinel. Following a Belgian proposal, it was agreed that the copper companies would build a second power station and use it until it was required by the Belgians. A loan of £8 million was raised from the Export-Import Bank to finance the project, to be repaid in deliveries of copper and cobalt, and the mining companies contributed a further £7 million. The facility at Le Marinel came into operation in 1956. Although the Belgian agreement could not offer a permanent solution, given the expanding needs of the Copperbelt, it offered a ‘stop-gap’ until a solution south of the Congo was found, allowing most of the anticipated additional Copperbelt demand to be
met after 1956. Although an expensive solution, it would give the mining industry a degree of flexibility, allowing it to draw on either the Kafue or Kariba schemes, once these were in operation. It was expected that between 1957 and 1961, power from the Congo would ensure production on the Copperbelt of an extra $450 million worth of copper, for a total expenditure of less than £8 million, hence the Ministry of Materials was willing to help lobby the Bank of England, supporting the case for raising the necessary funding and authorising the expenditure of Belgian francs.\(^{134}\) Privately, Prain was sceptical about the ability of either the Kariba or Kafue scheme to meet the Copperbelt’s needs after the mid-1950s, and was concerned that the necessary construction work would place impossible strains on the already stretched railway system. The Congo HEP scheme would, he thought, circumvent this problem, hence its attractions. Although RST stressed that its proposed Lualuba project was not intended to undermine the Kariba/Kafue scheme, Roy Welensky, by now leader of the Northern Rhodesian ‘unofficials’, was hostile to the idea, believing it unwise to make the Copperbelt so dependent on a foreign-owned power source. This attitude was dismissed by Prain, who pointed to the mining industry’s dependence on Southern Rhodesian coal, ports in Mozambique, and South African supplies. For RST, taking power from the Belgian-owned source was a temporary solution until either the Kariba or Kafue schemes came into production. Nevertheless, the copper companies stood by the commitment they had made in 1949 to buy HEP from the Inter-territorial Commission.\(^{135}\)

By the early 1950s, the Copperbelt faced no serious lack of capital, labour or plant. The major limiting factors on output remained coal and transport. While the mining companies were investigating alternative sources of electricity, none of these would be productive before 1957. The prospects of developing hydro-electric power hinged on decisions reached on the Kafue and Kariba projects. It seemed that everything technically possible was being done to expand Wankie’s output: much would depend on the railways’ capacity to carry an increased allocation of coal to the Copperbelt.\(^{136}\) Between 1952 and 1956, coal deliveries would need to increase from approximately 45,000 tons per month to around 100,000. With the switch to HEP anticipated in 1957, coal requirements would then decline to around 60,000 tons per month. Meanwhile, it seemed inevitable that Rhodesia Railways would be involved in considerable capital construction which would, within a few years, be surplus to requirements. The only solution appeared to be to persuade the Railways to undertake this work in the general eco-
conomic interests of the region, even though some loss would be incurred. Meanwhile, the chances of increasing colonial supplies in the short to medium term would depend largely on the willingness of the imperial state and private firms to invest in colonial production. In turn, this might require changes in the fiscal system to encourage investment in the colonies. Stimulating the interest of private investors, the Colonial Secretary argued, would hinge on relaxation of the Treasury line on double taxation and depreciation allowances.

**Investment**

In the years of expansion after 1945, the mining companies tried, generally successfully, to finance the development of all known Copperbelt deposits of any significance. Between 1947 and 1953, around £67 million was invested in the copper industry, most of which came from undistributed profits. The companies found that they could not raise the necessary development capital by issuing equity, and had instead to resort to loans, which to some extent deprived the firms of their financial autonomy, since their development options were sometimes restricted by the terms on which loan finance was offered. On the other hand, the post-war situation was different in that the pre-war scramble for finance was over, and the firms could make their investment decisions in calmer circumstances: given buoyant demand for its produce, the Copperbelt seemed unlikely to collapse. During this period, Britain largely restricted its overseas investment to the Sterling Area. While investment in non-sterling areas was not prohibited, it was discouraged, and required the permission of the Bank of England. Partly on ideological grounds, the Attlee government initially maintained its predecessors’ reluctance to court US investment in British territories. In August 1947, for example, the Foreign Office discussed investment opportunities with John J. McCloy, President of the International Bank for Reconstruction and Development. Referring to the ‘great interest’ then developing in the United States in such matters, McCloy had seemed ‘very enthusiastic’ about a loan to Britain to promote development work in Africa. The Colonial Office remained, however, predictably cool. Commenting that the ‘whole subject obviously bristles with complications’, Caine had pointed out that it was undesirable, on political grounds, to make any arrangements which might imply American control of particular development schemes. As another senior official put it, the whole proposition of IBRD loans looked ‘decidedly unattractive’: while it might secure easier access to
dollars, it would be an expensive option, to which many ‘strings’ would be attached. After a ministerial meeting to discuss private investment proposals, affecting mining especially, Creech Jones noted that it was ‘probably undesirable’ to encourage investment which would give American private capital a dominating position in individual colonies.

Early in 1950, the Economic Co-operation Administration (Washington) was keen to see a large proportion of the sum assigned to the development of strategic minerals being devoted to railway and energy development in the Rhodesias. This assistance, in the form of unsecured loans, was to be repaid not in dollars, but in shipments of strategic raw materials, especially chrome, over a long period. This arrangement secured for Washington a prior claim on part of the metal or ore to be produced. While in London it was known that Sir Arthur Griffin, the General Manager of Rhodesia Railways, was not enthusiastic about US investment, within British government circles it was noted that the resulting acceleration of Copperbelt development might free Britain from the need to import dollar copper. More generally, by 1950, the colonies’ clear need for capital, along with Britain’s obligation to permit other nations access to colonial raw materials, led to a softening of London’s attitude towards US investment in the colonies, provided that this did not create problems for the Sterling Area’s balance of payments position, in the form of the remission of dividends and profits in dollars. By 1951, the shortage of non-ferrous metals led the Cabinet Raw Materials Committee to concluded that Britain must be ready, ‘in all cases’, to support proposals which offered hope of increased supplies in the medium and long term, noting the ‘particularly attractive’ financial terms offered by the US government, and some private US concerns, terms with which it would be risky to attempt to compete.

Early in its life, Churchill’s peacetime administration discussed the question of US investment. Ministers considered the preferability of encouraging British, rather than American, investment in the colonies, and attempting to attract US investors to opportunities within Britain. The new Colonial Secretary, Oliver Lyttelton, was soon discussing double taxation and depreciation arrangements with the Treasury, feeling that these currently worked more in favour of US and Canadian enterprise in the colonies than of British investors. Despite its previous desire to attract American capital, the government was, by early 1952, alarmed at the prospect of British capital losing its traditional dominance in the Empire-Commonwealth, and particularly about the problems faced by British mining companies in the colonies, who seemed to be ‘losing ground to the Americans’.
The United States and the Copperbelt

For its part, the United States showed a growing interest in African minerals in the post-war period. With its own supplies of metals like copper substantially depleted by wartime consumption, the US ceased being an exporter and instead was forced to import large quantities of the metal. As early as 1947, Washington was keen to stockpile strategic materials, without further depleting domestic resources. Investigations early in 1948 revealed that in the event of war, the US would very quickly face serious shortages of materials like copper. Large-scale imports of such materials would serve not only national security but also international economic recovery, hence Washington’s enthusiasm to purchase copper from the Belgian Congo and Northern Rhodesia.151 This question was given urgency by the outbreak of the Korean War, during which fears of materials shortages recurred, leading to a positive reassessment of Africa’s potential contribution to US strategic needs.152 Linked to this was a growing appreciation that the United States’ new global responsibilities would involve long-term pressure on supplies of vital commodities.153 In addition to strategic concerns, the US was facing population growth and the expansion of its industrial base, both of which seemed likely to add to the country’s demands for raw materials. A more general fear was that global manufacturing capacity would simply outstrip the supply of raw materials, threatening the world with mass unemployment.154

Against the background of fears of the likelihood of a general war, and massive increases in US defence expenditure in the early 1950s, Washington’s growing interest in potential Third World sources of raw materials was reflected in Truman’s creation in 1951 of the Paley Commission to construct a national policy on resources. Reporting in 1952, the Commission warned of declining national self-sufficiency, as the American economy expanded, and suggested that the US should look to regions such as Latin America and Africa for an increased volume of mineral imports.155 The rationale was simple: if the US failed to promote a rise in free world living standards, American economic growth would be jeopardised. To prevent this, a significant increase in private US overseas investment in mining enterprises was needed, along with a liberalisation of the American tax system.156 Meanwhile, in 1951, the International Materials Conference convened in New York, attended by delegates from various NATO and other Western countries. Britain, concerned generally about both the supply and price of raw materials, played a leading part in the work of the
Conference. The Conference was seen as a success, in that the Americans did not use their overwhelming economic strength to secure the supplies they needed. Instead, political negotiation replaced the free market in the allocation of vital commodities, and rationing schemes were introduced to ensure that other participating nations received a share of the available supplies.

At a time when Britain relied heavily on US economic assistance, in the form of Marshall Aid, a co-operative attitude towards Washington’s plans was thought prudent. When Attlee met Truman, in December 1950, in emergency talks triggered by the worsening Korean War, they agreed on an intensive stockpiling programme of strategic materials which may have reinforced London’s growing interest in the economic possibilities of a Central African Federation. However, increased production to meet US strategic needs was not necessarily in the mining companies’ interests, since accelerated extraction might involve the uneconomic mining of ore reserves. Among the practical considerations involved in attracting US investment, was the need to weigh the benefits against the hard currency implications of investors’ likely desire to receive both profits and repatriated capital in freely-available dollars. To some in the British government, the US preoccupation with investing in colonial raw material production (especially of minerals), while important, was potentially dangerous in that it might encourage the development of unbalanced economies, which in turn would create problems of colonial instability and provide openings for Soviet bloc propaganda. For their part, US officials pointed to the emphasis placed by the Paley Commission on the long-term need to give a degree of security to raw materials producers, allowing them to increase their output and match growing industrial demand in the West, chiefly because the United States was conscious of the social and political repercussions for developing countries of fluctuations in commodity prices. More immediately, American interest in Central African minerals was not always based on a secure grasp of realities in the region, and early in 1952 British officials found it necessary to disabuse Washington of some of its more far-fetched expectations about the scope for expanded production.

In February 1952, the Commonwealth Finance Ministers’ Conference agreed that it was in the Sterling Area’s shared interests that there should be increasing external investment in schemes which would strengthen the Area’s viability. Shortly afterwards, colonial governments were asked to identify important projects of economic development which, although ‘commercially sound’, were being delayed from lack of
The responses suggested that colonial governments knew very little about this problem. It seemed that, apart from mining, few such projects would emerge until both infrastructures and the skilled labour supply had much improved. Although development projects would in time make the prospects for investment better, the ‘investor’s paradise’ still seemed a remote prospect. This outcome suggested to some in the Treasury that the entire conception of salvation through colonial development, so fashionable in the immediate post-war years, was ‘something of a castle in the air’. In these circumstances, the only course seemed to be to continue with the slow but essential preparatory work of basic development, and hope that American mining companies would find worthwhile deposits within the Sterling Area.

Growing US concern about raw materials supplies had immediate implications for the Copperbelt. By the mid-20th century, domestic US sources of copper appeared to be nearing exhaustion. Spurred by the effects of the Korean War, the Americans began to show a willingness to invest in Northern Rhodesia’s mining industry and infrastructure to boost copper production. Similar arrangements were made with other African minerals producers, but the Copperbelt received the largest share of US finance. From 1953 onwards, with bulk-buying contracts at an end, Northern Rhodesia was in a favourable position to help with the US stockpiling programme. Even before this, in 1951, the US government lent RST £3 million (later increased to £5 million) for a new mine at Chibuluma, the first post-war mine opened by the group, which had been discovered in 1939, using modern scientific methods of exploration. This deal, negotiated with the Defence Materials Procurement Agency, the successor to the ECA, was attractive to Washington because it would yield valuable cobalt as well as copper. The US loan was to be repaid in cobalt, and in copper, if the output of cobalt was not enough to service the loan. Less attractive than Chibuluma was the copper and cobalt deposit at Baluba, thought to be the biggest potential source of cobalt in the world. Although Baluba was estimated to have twice as much copper, and three times as much cobalt as Chibuluma, early calculations suggested that the mine would need investment of up to £10 million to enable it to produce 1.3 million tons of ore a year, yielding 24,000 tons of copper, and 1.1 million pounds of cobalt. In contrast, for about one-third of this cost, Chibuluma could be readied for the production of 16,000 tons of copper, and 500,000 pounds of cobalt per year. Understandably, RST opted to develop Chibuluma first. Chibuluma began production in 1956, but was initially considered to be a relatively small body, with an
expected life of about 15 years; in practice, its reserves proved to be considerably larger, and the mine was still producing 25 years later.\textsuperscript{175}

Further US assistance included a grant of £200,000 to Rhokana, made in 1953, to build a cobalt refinery. In 1951, and again in 1954, Washington made loans to Rhodesia Railways. In 1953, the US government lent £8 million to the Rhodesia-Congo Border Power Corporation to finance HEP development in Katanga. In all, the Americans provided around £13 million for expansion of the Copperbelt. The terms of these loans, including those to the railways, were not especially onerous, providing for repayment of the principal and interest in kind, through deliveries of metals which the US needed for stockpiling. Moreover, the loans were provided at a time when finding other sources of funding was difficult. One drawback with this approach was that once stockpiling targets had been met, further finance for mining development would not necessarily be forthcoming.\textsuperscript{176} More fundamentally, the entire episode revealed lingering disquiet in Whitehall, grounded more in practical than ideological considerations, about encouraging increased US participation in colonial mining ventures. When RST was seeking US finance to develop Baluba, the Ministry of Supply threw into the discussion the significant observation that it would regard participation by private American capital as ‘wholly objectionable’, since it would give the US a claim on all the copper thus produced, apart from the fact that the increased output which would result would place an additional burden on an already struggling transport system. Instead, the Ministry recommended the negotiation of an ECA loan, on the same terms as those applying to the Chibuluma loan. The advantages of this would be that the ECA would not require a share in the management of the operating company, and no interest would be payable on the loan until the mine was in production.\textsuperscript{177}

**Labour questions**

The post-war period witnessed an upsurge of labour unrest across (and beyond) British Africa. Between 1946 and 1949, industrial militancy swept across the continent. There were general strikes in Kenya, Tanganyika and Zanzibar; the Gold Coast experienced a serious strike on the railways, and a major stoppage in the gold mining industry (both in 1947). In 1946, the South African mining industry experienced one of the largest strikes in its history. In 1945, Northern Rhodesia itself saw strikes on the railways and at the Broken Hill
Labour relations continued to dominate Copperbelt affairs in the post-war period. As a result of wartime developments, both government and the mining companies treated the MWU with great caution. Even the drive for maximum production had to take account of the reactions of a restless labour force. When, early in 1950, RST wanted to introduce working on alternate Sundays at Mufulira, to increase output by 300 tons per month, the Northern Rhodesian government was unenthusiastic, arguing that even during the war, Sunday working had been forbidden. If other mines were to imitate this practice, the Colonial Office feared, a general deterioration of labour relations might ensue. Significantly, there was a reluctance to allow the government to be seen to be intervening in favour of the employers ‘in what was primarily an industrial matter’.

By the mid-1940s, the reality of increasing labour ‘stabilisation’ on the Copperbelt was causing concern both to the Colonial Office and the Northern Rhodesian government. In the case of the Copperbelt, described by Cooper as ‘one of British Africa’s prime laboratories for stabilisation’, the authorities lacked the power to control African mobility, unlike their pass-law wielding counterparts in South Africa. They could, instead, at least try to enforce good standards of housing for the African workforce, and so imitate the labour policies of Southern Rhodesia. Accordingly, in 1948, the government introduced an obligation on all employers to provide or pay for suitable housing for their married workers. The average value of the income received in kind by African workers was more than £42 per worker in 1953, more than 50 per cent higher than the average received in 1949. Moreover, over the next decade, the government itself spent substantially more on African housing. Also of relevance here was the ILO’s convention on ‘Social policy in non-metropolitan territories’, introduced in 1947. Falling short of suggesting that labour migration should cease (and so implicitly recognising its importance to workers and employers alike), this enjoined the colonial powers to address the improvement of colonial workers’ living standards and the disruption to family life caused by migration.

Contemporary analyses of stabilisation were still couched in terms of ‘classic migrant’ rhetoric, in which short-term migration by lone male, rurally-based migrants gradually gave way to a ‘permanently urbanised’, ‘fully proletarianised’ workforce. This ‘progressive narrative’, shared at the time by an increasing number of colonial officials, could conceal a more complex, nuanced, reality, in that ‘classic’ migrants were far more urbanised, and ‘fully proletarianised’ workers
far more attached to rural networks, than the traditional model allows. By the mid- to late 1940s, stabilisation, according to Cooper, was becoming more attractive to the colonial state, being seen as an integral component of the wider ‘development’ strategy. Although after 1948 there was increased government activity in housing provision, this did not meet the needs of mineworkers with families. Nor was there much government provision for health or the needs of the unemployed. A fundamental official assumption remained: that retired or incapacitated miners could return to their villages of origin. While colonial officials slowly began to appreciate that stabilisation, including good living conditions, produced a contented workforce, contemporary anthropological opinion, exemplified by the work of J. Clyde Mitchell and others, was, by the early 1950s, going further, arguing that stabilisation might result in a more productive and orderly community. Moreover, the companies were not fully in accord on this question: Anglo American continued to repatriate its workers after a two-year period; while RST, which consistently showed a greater interest in labour practices in the Belgian Congo, preferred a more stable life for its workers, permitting families to live in its mine compounds. Rising costs made the mine companies increasingly concerned not only to achieve a more stable workforce, but also one which would be more productive. In this climate, it has been argued, the attractions of ‘scientific management’ were strong, fostering a ‘Tayloresque’ interest in subdividing work into ever more discrete units, involving the precise definition of tasks and closer supervision of workers. At the same time, what were seen as inflated post-war rates of pay proved to be a powerful stimulus to mechanisation, which in turn aggravated the problem of under-employment in Northern Rhodesia. However, there are suggestions that African mineworkers in the post-war period continued to exercise a degree of choice in their employment: as the Labour Department reported in 1948, there was a significant pool of workers on the Copperbelt who refused to engage in any other form of work than mining, certainly not lower-paid farm work.

The post-war period witnessed important developments in the growth of African trade unionism, assisted by the colonial state. In 1946, a Ministry of Labour representative was sent by the Colonial Office to examine the labour situation on the Copperbelt. Among his conclusions was that the African workforce was not yet ready for trade unionism. Instead, he suggested, the ‘boss boys’ committees’ could be developed to represent all sections of the industry. In May 1946, the
president of the MWU, Brian Goodwin, declared in the Legislative Council that his union would extend its help to African workers. Since the union was keen to enforce the colour bar more firmly, and continued to insist on equal pay for equal work, the government, and the mining companies, were, understandably, suspicious. At the constitutional conference on Northern Rhodesia, held in London in June 1946, Orde Browne endorsed the Ministry of Labour’s cautious, transitional approach, stressing that it was important not to promote the ‘artificial’ development of trade unionism. However, Welensky, leader of the ‘unofficials’ in the Legislative Council, and Gore Browne, who represented African interests, argued that African workers were ready for trade union activity. This position reflected the clear settler interest in encouraging the growth of African labour organisations, which, campaigning for higher pay, would reduce the competition in the labour market from cheaper, unorganised African labour.

Out of the conference came an agreement to promote trade unionism as quickly as possible with help from Britain, reflecting perhaps, the recent impact of the railway and mining strikes of 1945. The previously obstructive attitude of local mine managements led the Colonial Office to urge the governor to discuss this initiative with the mining company boards while he was in London. When the Legislative Council session opened in November 1946, the governor announced the government’s intention to help the formation of African trade unions. In 1947, the Colonial Office despatched William Comrie of the Transport and General Workers’ Union to Northern Rhodesia. In January 1948, the Shop Assistants’ Union, the first African union in the territory was formed. By the end of the year, African unions had been formed on all four mines on the Copperbelt. In March 1949, all African mine unions came together in the African Mineworkers’ Union, under the presidency of Lawrence Katilungu. By then, more than 50 per cent of the African labour force on the Copperbelt was unionised. The mining companies recognised the new union later that year.

This episode has been seen, for example by Cooper, as part of a wider strategy by the colonial state ‘to transform an unpredictable mass of labor power, moving into and out of employment’ into something that ‘could be more readily controlled’. Certainly, the Colonial Office remained concerned that the development of the trade unions which it was sponsoring should be managed, and that the new organisations should be adequately supervised: in most territories, for example, trade unions were required to be registered with the government. This kind
of supervision was not always easy, especially given the shortcomings of over-worked labour departments. This only reinforced official fears that premature development could produce weak organisations, with poor financial controls, and either inadequate or politically-driven leadership. In 1949, a government ordinance extended protection to all African unions, the law recognising no difference between European and African unions. This has been seen as a turning point, in that the government’s intervention prevented the development of ‘second-class’ unions for Africans, lacking real bargaining power, like those in South Africa. This was done despite company misgivings, the suggestion that trade unions should be subject to compulsory arbitration of some sort, and the view that a mandatory conciliation procedure was necessary to pre-empt ‘irresponsible’ leadership, in either European and African unions. The AMU’s ‘coming of age’ arose because of a dispute with the mining companies early in 1951 over profit-sharing schemes. A clearly delighted Governor Rennie reported that both sides had demonstrated a ‘commendable’ spirit of compromise to avoid a strike, in the process enhancing the African union’s reputation. The AMU’s legitimacy was further bolstered in 1953 when, with overwhelming African support, the former system of tribal representatives was abolished. The emergence of a strong African union reinforced government reluctance to intervene in industrial disputes. Specifically, it was thought vital, in the union’s own interests, to discourage the belief that the government would step in on its behalf: the union’s development would rely on it achieving its aims through negotiation. For their part, the mining companies were equally keen to avoid government intervention in industrial disputes. This was illustrated late in 1949, when the MWU pushed its demand for a forty-hour week. Against the background of possible strike action, the Legislative Council considered invoking compulsory arbitration. This was vehemently opposed by the mining companies, who feared that its outcome would add to their costs, and might reduce production. Prain warned that the companies might retaliate by demanding compulsory arbitration over the colour bar. Insisting that for both groups, compulsory arbitration would involve a loss of managerial control, Prain added that in the Northern Rhodesian context, it would be difficult to find ‘responsible’ arbitrators, since officers appointed by the Legislative Council would inevitably reflect the latter’s strong MWU representation. Particularly revealing is Prain’s private concern that if the 40-hour issue were to ‘drift’, the government might feel obliged to intervene, and aggravate the situation. It was for this reason that he
and his counterpart in Anglo American devoted considerable time to dissuading the Lusaka authorities from any such initiative.  

**African advancement**

As Roberts argues, any genuine attempt to deal with the reality of labour stabilisation, whether the initiative came from government or business, would require not only better material provision for African workers, but also efforts to improve African skills and education. This would represent a potential challenge to the privileged position of European workers, whom the mining companies could not afford to antagonise. Equally, the British government was most reluctant to address the colour bar, to which it was, theoretically, opposed, if this alienated skilled European workers, and so jeopardised continued production of dollar-earning, or dollar-saving copper, the importance of which was reflected in the bulk-buying agreements. In this respect, social policies on the Copperbelt retained the strong influence of migrant labour theory, despite the fact that growing numbers of Africans were opting to seek better opportunities in the towns. However, because of the strengthened position of the MWU after the war, the mining companies were reluctant to take a clear position on African advancement without government support. In 1946, the companies concluded an agreement with the MWU, which prevented any job then being done by an employee from being done ‘by persons to whom the terms and conditions of this agreement do not apply’: as a result, the colour bar was secured for another ten years. Henderson makes the important point that it is ‘difficult to know what the Government could have done to prevent this situation’. The companies were aware, nevertheless, that failure to address the problem might lead to discontent among African workers, but looked to the government to take a lead, in striking contrast to the pre-war position, when mine managements had resisted government encroachment into labour matters. For its part the government was inhibited from tackling the colour bar, because of strategic and dollar-saving considerations: effective pressure from the Ministry of Supply, anxious to maintain production, was added to the trenchant opposition of the MWU. Nevertheless, from the companies’ point of view, advancement offered tremendous potential cost-cutting opportunities, a moral drawn from experience in neighbouring Katanga, where the ratio of Europeans to Africans in the mine workforce was 1:25, compared with 1:8 on the Copperbelt. As the Colonial Officer’s Labour Adviser reported in
1950, the policy in Katanga was to allow Africans to advance to the maximum extent possible, and it was already envisaged that only the most skilled jobs would be performed by Europeans.\textsuperscript{211} Late in 1949, Harold Hochschild, chairman of the American Metal Company (RST’s largest shareholder) was keen to visit the Belgian Congo to acquaint himself with labour practices there.\textsuperscript{212} At the same time, he visited the Copperbelt, where he was clearly startled at the living standards white workers had achieved, surpassing anything enjoyed by their American counterparts, and seen in ‘extreme’ form at Nkana, where the staff maintained a polo club. Such experiences appear to have strengthened Hochschild’s interest in African advancement, and AMC’s subsequent willingness to support RST on the issue.\textsuperscript{213} The entire question of white labour costs was clearly of deepening concern to the mining companies in the post-war period. Equally, if not more, worrying was the possibility that African living standards might eventually match those of their white co-workers, assuming that the Copperbelt had a long-enough life. Were this to happen, as Prain noted early in 1950, the costs would be ‘astronomic’. Yet, far from helping to moderate this process, Prain complained privately, government was ‘stepping on the accelerator’, undoubtedly a reference to newly-imposed government standards for accommodation and social provision on the Copperbelt. It seemed ironic that the government seemed intent on interfering in so many areas affecting the mining industry, except the one issue, the colour bar, where the companies would have welcomed such activity.\textsuperscript{214}

In June 1946, at the Colonial Office conference on Northern Rhodesia, attended by the governor, Sir John Waddington, senior officials and representatives of the elected members of the Legislative Council, an agreement was reached to proceed with the talks on advancement proposed in the report of the Forster Commission on the 1940 disturbances, and to involve independent advisers. The resulting Industrial Relations Conference was convened in May 1947, chaired by Andrew Dalgleish, a British trade unionist who had been a member of both the Forster Commission and the Colonial Office’s wartime Colonial Economic Advisory Committee. Both the MWU and NORCOM sought an unambiguous declaration of the government’s position on African advancement. They also wanted to see the creation of an official commission of enquiry to examine the implications of policy for the whole territory, not only mining. Neither party was happy to discuss the question at an informal gathering, and the Conference disintegrated amid much bad feeling. Dalgleish and the
Colonial Office blamed the companies, whom they thought wanted to avoid a strike, given copper’s current high price; the companies, for their part, blamed the MWU and the Northern Rhodesian government, arguing that it was for government to show initiative in framing and enacting a policy.215

After the failure of the Industrial Relations Conference, a Commission was appointed, chaired by Dalgleish, to examine the scope for African advancement and the training provided for Africans. Specifically, the Dalgleish Commission, which visited Northern Rhodesia between September and November 1947, was intended to establish which new posts African workers could fill at once, what training they would need to enter more skilled posts, and any changes in the wage structure this would require.216 The government responded to the demands of the MWU and the companies for a clear statement, saying that Africans should have the chance to do more responsible work, when qualified, ‘and taking into account the interests of all other persons in employment…’. The MWU refused to recognise the Dalgleish Commission, because the two trade unionist members of the Legislative Council, Welensky and Goodwin, had not been included. It also insisted that the Commission’s terms of reference ought to have referred explicitly to ‘equal pay for equal work’. The union also questioned Dalgleish’s impartiality, alleging that he had, in the past, shown a lack of sympathy towards white workers.

The Dalgleish Report, published in February 1948, recommended that Africans should be made eligible for employment in 27 categories of job. It also identified a number of jobs which Africans might perform in the near future, and others which should become available after a period of training. The Commission also suggested that African workers should gradually be transferred to a system in which they received wages only, rather than wages and rations, as was customary. On wages, the Dalgleish Commission attempted to compromise between the positions of the government and the companies on equal pay, and those of the MWU: it proposed that a European worker’s pay, including the cost of housing, should be divided between Africans who took over his job, once the cost of any additional supervision was deducted. The MWU insisted that an African doing a job previously done by a European should receive the full European rate of pay, including bonuses, pensions and housing and welfare services. The Dalgleish Commission read this as a demand for ‘equal pay for equal work’. More importantly, the Commission rejected the MWU’s position on ‘equal pay for equal work’, and urged all involved to consider
steps which could be taken to amend the colour bar, to permit African advancement, and suggested that tensions could be reduced if the MWU would agree to modify its 1947 agreement with NORCOM, under which some categories of job had been reserved for European workers.217

The MWU reacted unenthusiastically to the Commission’s report, and Welensky was frankly critical. In this stalemate, the government clung to the idea that advancement was essentially an internal matter, to be resolved within the mining industry. NORCOM, however, argued that the government was responsible for taking a lead, and for acting to soothe African opinion. In August 1948, the Unsworth Conference, proposed by Dalgleish, met. NORCOM said that it ‘did not necessarily’ accept the principle of advancement, until agreement had been reached with the MWU. The companies’ position was interpreted to be that they agreed that some work could, not should, be done by Africans, a crucial distinction. At the Unsworth Conference, the MWU once again refused to concede on the principle of equal pay for equal work as the basis of advancement.218 For their part, the mining companies were reluctant to take the initiative on Dalgleish’s proposals, until they could be sure of government support. Yet this seemed more remote than ever when, in 1948, constitutional changes gave enhanced power to settler representatives in the Legislative Council, including the President of the MWU, creating a practical obstacle to action on the colour bar by the colonial government.219

During 1948, encouraged by the Fabian Colonial Bureau, Creech Jones made abortive efforts to find a framework within which the Dalgleish Report could be put into effect.220 In April 1949, he visited Northern Rhodesia, where he felt the situation had, if anything, deteriorated since the Commission had delivered its report.221 His suggestion that both unions should meet and discuss the issue produced ‘unexpected results’: the AMU agreed that no African would take a European post without European pay, while in 1950, the MWU offered to represent African workers in such situations. Commentators were surprised that the African union had thus accepted the principle of equal pay, the major barrier to advancement. In August 1949, both mining groups approached the Northern Rhodesian governor, Rennie, arguing that the Dalgleish Commission had led Africans to expect advancement, while the government itself had promoted an African trade union, which was bound to insist not only on advancement, but on pay rises. The companies argued further against giving Africans higher pay for their current work, since this would overturn the industry’s entire wage
External influence was introduced in May 1950 when the AMC urged the RST group to push the Northern Rhodesian government to act on the colour bar. Citing the Belgian Congo as a ‘preview of the inevitable’, Harold Hochschild stressed the problem’s ethical dimension, and argued that an initiative on these lines by the companies would enable them to retain some control over developments and avoid risking a loss of prestige and influence. He assured RST that they could expect AMC’s ‘complete backing’ in any risks they might run. However, Creech Jones’ successor, James Griffiths, remained pessimistic about the scope for government action to abolish the colour bar. He hoped, instead, to enlist international trade union support in a bid to persuade the MWU to concede, but this initiative came to nothing. Although it was recognised within the Colonial Office that London could not risk antagonising African workers by avoiding responsibility for reducing the disparity between conditions for African and European workers, officials could only await a change of attitude within the MWU on its insistence on ‘equal pay for equal work’, recognised as a device to preserve European workers’ privileged status. By employing a simple and attractive slogan, the MWU, it was felt, had ‘cleverly’ appealed to the good-will of the African worker, who ‘cannot be expected to appreciate the complexities of the problem’. The responsibility for frustrating African advancement would therefore be placed on the mining companies, anxious to avoid paying Africans at European rates. The onus of breaking the resulting deadlock seemed likely to fall upon government, which would have to try to persuade the AMU to be flexible, and would thus be placed in the position of arguing the employers’ case and breaching labour’s solidarity. Privately, however, officials harboured serious misgivings about the implications of ‘equal pay for equal work’. Africans who received the same pay as Europeans would, it was suggested, be divorced economically from other Africans in other occupations, representing ‘a grave social error’: the logic of the Dalgleish recommendations, it was argued, was that Africans should receive approximately one-third of the European pay rate. Meanwhile, it seemed, the companies, convinced that the colour bar was in the long-term interests neither of the industry nor of the European work-force, continued to wait for government action, believing that, unlike the employers, government was free to tackle the issue directly. RST urged Rennie, early in 1952, that the time was ripe for a government initiative. Prain stressed the salutary effect of the recent African strike on the MWU’s thinking, shaking its faith in the colour bar’s permanence.
government was more pessimistic, suspecting that ‘extravagant’ African demands had only hardened the outlook of the MWU.\textsuperscript{229} Lusaka also felt frustrated in its attempts to secure concessions for Africans by the fact that the AMU, under the influence of the MWU, had accepted in 1950 the principle of ‘equal pay for equal work’.\textsuperscript{230}

In the early 1950s, with copper prices booming, the mining companies were keen for both government and the MWU to accept the principle of advancement explicitly before the details of jobs and wages were examined. Given the question’s far-reaching political implications, they still felt that it was for the government to make a public policy pronouncement, and to enforce it. Meanwhile, the companies were willing to pledge that no European would suffer a loss of job or wage cuts because of advancement.\textsuperscript{231} Developments at the political level, specifically the movement towards Federation, appeared to give the issue of advancement a fresh relevance and urgency. In February 1952, Prain suggested to Lyttelton that, with renewed talks on Federation expected in April, progress on advancement would be an effective means of assuaging critics of the scheme both in Britain and Africa, and a means of winning parliamentary support for the Federal idea.\textsuperscript{232} The situation on the Copperbelt became increasingly tense, with the African population reportedly in ‘explosive mood’. Yet Welensky remained ‘most anxious’ that the mining companies should not give way to the AMU over the issue of the closed shop.\textsuperscript{233}

The Colonial Office had been anxious to avoid a situation in which the two unions on one side confronted the government and the mining companies on the other. Nevertheless, by June 1952, officials were keen to find some way out of the impasse, not only because of the inherently dangerous situation developing on the Copperbelt, where African discontent was growing, but also because they sought to smooth the path for the proposals on Federation.\textsuperscript{234} By October, the Office learned (significantly through the Ministry of Materials and RST, rather than from the Lusaka authorities) that an African strike might be the prelude to more serious trouble. Yet to the Colonial Office, it was beginning to appear as though an African strike might be the only way to achieve a breakthrough on advancement: the Northern Rhodesian Labour Commissioner was reportedly surprised that Africans had not already taken this route.\textsuperscript{235} The Ministry of Materials, meanwhile, was inevitably concerned that an African strike might reduce Britain’s copper stocks to a ‘dangerously’ low level, leaving it vulnerable if there were future difficulties.\textsuperscript{236} For RST, Prain warned that an African strike was imminent. Conscious of the situation in Kenya, then
in the grip of the Mau Mau rebellion, he warned that the latter’s effects might be felt elsewhere in Africa, initiating a period of serious unrest. Against this background, he urged government to take action on the Dalgleish Report, arguing that implementing higher pay for African workers was not an adequate response. The AMC had earlier expressed its concern that the mining companies must seize the initiative over advancement, and demonstrate to Africans that they were keen to help. To do nothing risked losing face and reinforcing an African belief that justice could only be achieved through a show of force.\textsuperscript{237}

If African mineworkers were relatively slow to combine in trade unions, they were much quicker to recognise the potential of the strike weapon, perhaps because of the conditions in which they lived and worked (albeit better than those of their South African counterparts).\textsuperscript{238} Late in 1952, seeking a substantial pay increase, the AMU called a strike which lasted three weeks. The mining companies hoped that the Northern Rhodesian government’s loss of revenue, and the interruption of copper supplies to Britain, would force London and Lusaka to address the problem of advancement. The companies’ anxiety to see the question resolved quickly has been attributed to their concern at the influx of white South African immigrants, which was outstripping immigration from Britain. Some believed that the next election in Northern Rhodesia, due in 1953, might produce an Afrikaner majority in the Legislative Council, which would make it impossible to legislate on advancement, and this seemed to be another argument for the government to act quickly.\textsuperscript{239} On 20 November 1952, at a meeting in the Colonial Office with Lyttelton, the companies thought that they had the Colonial Secretary’s support for their view that urgent action was needed, ideally sponsored by the government. Lyttelton, arguing that immediate progress on advancement was essential, had stressed that in deciding on their action over advancement, the companies should disregard any possible impact this might have on the proposals for Federation. The Colonial Office appeared to understand the need for early action by Lusaka, as the precursor to action by the companies. However, Welensky, leader of the unofficials on whose support any action by the Northern Rhodesia government would depend, claimed that any initiative on advancement, whether by the government or the companies, might jeopardise the current plans for Federation, by triggering a European strike. To Welensky, it was vital that the entire advancement issue was shelved in case it adversely affected the outcome of the referendum in Southern Rhodesia on Federation, a view Huggins was known to share, but one the Colonial Office could not, it
appeared, accept.240 At the same time, word reached London that the MWU leadership was attempting to have the existing colour bar extended to other industries.241 In this situation, RST felt powerless to act unless it received ‘firm guidance’ from the Colonial Office. Anglo American, on the other hand, agreed with Huggins and Welensky that the Federation should take priority over advancement, and that nothing should be done which might prejudice its creation. Oppenheimer was reported to be alarmed that RST might take ‘precipitate’ action.242 Anglo American’s caution over the advancement issue reflected not only the group’s South African base, and the fact that advancement was a highly controversial question within the Union, but also Oppenheimer’s need to keep his Copperbelt interests functioning smoothly, to ensure the flow of copper profits into Anglo American’s Johannesburg coffers.243 By the end of 1952, there had therefore been developments of major importance affecting African advancement. Welensky was known to oppose any move on the colour bar for the present; Huggins’ position was similar, in that he opposed government action, but he did not oppose action by the companies; finally, Prain had concluded that if the government would not act, the companies must proceed alone.244

In January 1953, coinciding with the final conference on the Federal constitution, a meeting was held in London, at Prain’s request, attended by the Colonial Secretary and his officials, the governor, Welensky and company representatives. Prain stressed that the mining industry was anxious not to prejudice the Federation’s prospects, but that they were equally anxious to see some progress over advancement. This, he argued, should not be the result of an African initiative. Unless the authorities in Lusaka acted, the only course would be for the companies to give notice to the MWU of their intention to terminate their existing agreements, although this risked provoking a lengthy European strike, with inevitable consequences for Britain’s copper supplies.245 By this stage, there appeared to have been an about-turn in British government thinking: despite his earlier encouragement to the companies to act promptly, Lyttelton now seemed much less keen on urgent action on advancement, and less sympathetic to the companies’ case.246

Meanwhile, during the arbitration process early in 1953, arising from the three-week African strike, the companies opposed pay increases on economic and social grounds: they argued that higher pay would promote greater permanent urban settlement by Africans, which was undesirable, because the industry’s future could not be guaranteed, based as it was on a wasting asset and mineworkers’ dependents might
be obliged to take up a rural life of which they knew nothing. Nevertheless, the Guillebaud arbitration in January 1953 awarded large pay increases across the board, benefiting the lowest paid workers particularly. Guillebaud, a Cambridge economist, privately advised the companies that some measure of advancement was essential, to satisfy lower-paid workers. The award, justified on the grounds of the pay differential between Europeans and Africans, and the companies’ ability to support such an increase from their new profits, represented a breach with the companies’ established view that African wages should not be raised without a matching increase in efficiency, which, in turn, depended on the adoption of an advancement scheme. While this eased some tensions within the AMU, some members drew the moral that strike action could be effective. Because of the Colonial Office’s obstruction of a joint initiative, the mining companies were obliged to go ahead by themselves. The Guillebaud award led to pay increases so large that the companies felt it essential to use African labour more efficiently, and so offset the cost of the award (around £873,000), which came soon after a significant increase in other production costs. The timing of the companies’ initiative was eased by the British government’s termination of the bulk-buying arrangements. In the post-war period, London’s need to maintain copper production had weakened the companies’ position in their negotiations with the unions. With normal trading restored, the MWU could no longer exercise the same leverage over the British government, leaving the companies able to negotiate free of external constraints. The year which saw the inception of the Federation of Rhodesia and Nyasaland proved to be the year when the advancement question would finally be tackled overtly by at least one of the Copperbelt mining groups, but the early years of the Federation’s life would continue to be overshadowed by industrial relations problems.
Arguably, the wartime transition from virtually unrestricted laissez faire to government intervention was particularly difficult in Northern Rhodesia’s case, where the mining firms had previously enjoyed considerable latitude in managing their affairs without reference to the colonial state. Contacts between business and state inevitably became more frequent. These were sometimes of a personal, semi-formal character. For instance, when Ronald Prain of RST made his first visit to Africa in 1943, to investigate conditions on the Copperbelt, he promised to pass ‘interesting’ information on to the Colonial Office ‘from time to time’, and subsequently became a regular visitor to the Office. Prain commented that relations between Lusaka and the mining companies were good, and had improved in recent years, complimenting the Northern Rhodesian government on the high calibre of its staff. Similarly, early in the war, Chester Beatty became closely involved with the government on questions affecting the mining industry and the supply of vital commodities, emerging as a member of the ‘inner circle’ of advisers close to Churchill. Progressively, the demands of war required more formal structures of communication between the mining industry on the one hand, and the state and other interested parties on the other. Thus, in 1941, in the aftermath of the 1940 strike, the mining companies organised themselves into the Northern Rhodesian Chamber of Mines (NORCOM), based at Kitwe, enabling them to present a common front in negotiations, and to ensure that the industry as a whole was adequately represented. This development, triggered by the changes brought about by the war, could be seen as the natural outcome of the close co-operation which had characterised relations between the mining groups throughout the early growth of the Copperbelt. Moves such as this towards greater
co-ordination were hampered, however, by a continuing preference among individual firms to maintain their independence. This was further demonstrated late in 1943 when Prain suggested that the Roan and Mufulira companies be merged. The cool response of RAA, which had a stake in Mufulira, threatened to jeopardise the work of NORCOM, which neither group was prepared to contemplate. The proposed merger was not, therefore, pursued. On balance, as Phillips has argued, the challenge of growing settler political power in Northern Rhodesia, together with increasing state intervention in mining affairs, underlined the importance of avoiding divisions within the industry.6

Another important development, springing directly from the mining industry’s wartime experiences, was the formation of the British Overseas Mining Association in 1946, at the suggestion of Lord Geddes. The purpose of the new body was to allow the industry to maintain a co-ordinated front in its negotiations with the British government, especially on matters affecting taxation policy, and to ensure that issues of concern to the industry were raised effectively in Parliament. The BOMA continued the work of the Mining Taxation Committee, formed in 1942 by 12 leading mining companies to prepare representations to the British government on the reform of British taxation laws relating to mining enterprises.7

Although in many ways, the war affected Colonial Office thinking fundamentally, and accelerated a pre-war trend to envisage an expanded economic role for the colonial state, it would be misleading to infer that older patterns of thought were easily displaced by the rigours of the wartime command economy. Two examples illustrate this point. In 1940, Sydney Caine, the Colonial Office’s rising star in most matters economic, whose sensitivity to shifts in Whitehall attitudes was acute, commented on the ramifications of the new bulk-purchasing scheme for copper. Agreeing that the Colonial Office and the Northern Rhodesian government needed to be better informed about the details of these arrangements, he noted that it was arguably no business of colonial officials what arrangements the Ministry of Supply made with companies operating in the colonies. In the case of copper mining, unlike other forms of colonial primary production, no government intervention was normally required: it was only because, in this case, mineworkers’ suspicions that the mining companies were being generously paid for their copper threatened to damage industrial relations on the Copperbelt that the Colonial Office felt it could not stand aside.8 Much later in the war, despite the intellectual upheaval triggered by the new development initiative and planning for post-war
reconstruction, older, laissez faire ideas could still find their champions within the Colonial Office. Prompted by discussions on the extent to which government should intervene to obtain supplies for the Copperbelt, Gerard Clauson, head of the Office’s Economic Department during the 1930s, observed that ‘when things return to normal, I question whether the Government ought to intervene in ordinary commercial business’. He conceded, nevertheless, that government should use its influence, provided that this did not lead to increased operational costs for the industry, which would damage the Copperbelt’s competitive position.9

Wartime taxation

The entire question of the proceeds of mining was given enhanced significance by the demands of war and increased production. Some of the mining companies’ profits accrued to both the colonial and imperial governments in the form of increased wartime taxation. The Northern Rhodesian government gained half the income tax and half the Excess Profits Tax levied against companies incorporated in London.10 During the war, Excess Profits Tax was levied at a rate of 60 per cent on ‘standard profits’. This tax had been introduced in 1941, a belated response by the Northern Rhodesian government to encouragement from London issued on the outbreak of war. Arguably, because this tax regime made it impossible for mining companies to build up cash reserves, it also impeded reinvestment and fresh development, notably at Mufulira.11 Whereas in 1937, taxes paid by the three main mines (Nkana, Roan Antelope and Mufulira) averaged some 17 per cent of their operating surpluses, by 1941 the figure had soared to 67 per cent.12 EPT effectively doubled the mining industry’s contribution to government revenue.13 During 1940, the mining companies had hoped for a softening of what they regarded as the least palatable features of EPT. According to Phillips, they were supported by the Ministry of Supply. Given the latter’s heavy dependence on personnel drawn from industry, this sympathetic attitude is, perhaps, not surprising.14 During 1942, after repeated approaches to the government by the mining companies, some measure of relief from EPT was granted. In the case of Mufulira, this amounted to an additional £70,000 profit for the year ending June 1942. Nevertheless, Beatty referred to the ‘exceptional severity’ of the impact of EPT on the company, arguing that the burden of taxation, both in Britain and Northern Rhodesia, continued to ‘press heavily’ on the mining industry. Already looking ahead, he
warned that the current tax regime prevented the companies from accumulating adequate cash reserves, a theme to which he would return frequently. Moreover, despite the significant increase in the Copperbelt’s wartime output, there were indications that the workings of EPT led some mines to produce less than they were capable of doing.

Throughout the war, the issue of taxation was prominent in the private exchanges between business and government, and in the public pronouncements of the mining industry’s leaders. Early in 1940, with talk of an Excess Profits Tax in the air, Sir Auckland Geddes, Chairman of Rhokana, approached the Chancellor of the Exchequer on the subject, stressing his concerns about the impact such a tax would have on the industry. He pointed out that the Copperbelt was meeting the Ministry of Supply’s needs, even though this involved production ‘far in excess’ of what was commercially desirable. The mines were producing copper at the rate of approximately 300,000 tons per annum, but were selling it at a price roughly £20 per ton below the world market price, saving Britain an estimated £20 million a year in precious foreign exchange. Sir Alfred Chester Beatty subsequently canvassed both the Treasury and the Colonial Office, arguing that the copper companies should receive ‘special consideration’, in view of their role in developing mining within the Empire, and because they were now selling large quantities of copper to the government at a low price. These approaches evoked contrasting responses within the Colonial Office. Sydney Caine advised that the Colonial Office should avoid involvement in these discussions, on the grounds that the copper companies normally conducted their operations without much government interference, and that the central issue here were the interests of the companies’ shareholders. His colleague Gerard Clauson, however, thought that the Colonial Office should support the companies, because the more prosperous the companies were, the more prosperous Northern Rhodesia would be.

Later in the war, the criticisms voiced by the industry against the scale of wartime taxation would become more extensive and wide-ranging. Late in 1942, for example, in conversation with the Colonial Secretary, Lord Cranborne, Geddes, recently ennobled in recognition of his services to the war effort, returned to one of his favourite themes – the unexampled, and thankless, privations borne by the mining industry in the national interest. Having developed the Copperbelt at the express wish of the British government, and having invested ‘immense’ sums in the process, the mining industry had, he claimed,
lately had ‘a very raw deal’ from the British authorities. Successive financial burdens placed on the industry involved operating at a loss. He warned that the high current rate of taxation, and its likely post-war levels, gave the mining companies no incentive to keep their headquarters in London. Yet not only did London derive financial benefits from their presence, but Britain more generally benefited from the orders for equipment customarily placed in the home country. Touching on the complex question of ‘double taxation’, he suggested that when a company conducted its business overseas, it should only be taxed in Britain on the capital it actually employed in Britain, with normal tax being levied on that part of the company’s profit distributed to payers of British tax. There was some sympathy in the Colonial Office for the idea that the Northern Rhodesian government would benefit if the British government could be persuaded to forego the revenue from income tax on the proceeds of companies operating almost exclusively in the territory. However, it would not be possible to limit a concession such as this to mining companies: other expatriate concerns operating elsewhere, such as the United Africa Company, would expect similar treatment, and it was doubtful whether such a concession could practically be limited to companies operating within the Empire. Agreeing that what would really help the colonial territories would be a different arrangement with the British government for sharing the gross proceeds of taxation on such companies, Caine considered that the real purpose of Geddes’ proposal was to make it easier to retain control of mining and other enterprises in Britain. The alternative, the transfer of a company’s domicile to the country where operations were conducted would, from the colonial point of view, be beneficial. Given the importance that this subject would assume in the post-war period, it is remarkable that Caine concluded that this was not really a Colonial Office concern, but one better left to other departments, such as the Board of Trade, to tackle.

For Geddes, the details of particular problems raised by current practice were dwarfed by the larger question of defending Britain’s position as a centre of overseas mining enterprise against growing challenges, and of emphasising the important contribution overseas mining operations made to Britain’s export trade. The key issue, in his view, was that mining companies registered in other countries enjoyed a ‘much more’ favourable taxation position compared with those registered in Britain. For example, in North America, and, more recently in South Africa, the ‘exceptional’ position of the mining industry, in respect of the wasting nature of its capital assets, had been recognised by the
award of ore depletion allowances (or similar mechanisms). In Britain, however, no depreciation allowance was conceded for much of the development work of a mine. Geddes predicted that unless the disadvantages which faced mining companies registered in Britain were removed, new mining ventures would seek to register abroad. With the loss of company registration would go not only invisible exports (in the form of dividends and remittances), but also a large part of Britain’s visible trade, in the form of mining machinery and accessories. Meanwhile, the mining companies repeatedly complained that their shortage of working capital was the result not only of their practice of ploughing back profits (necessary in order to finance expansion work), but also to the effects of EPT. Taking a longer-term view, this was thought to be unfair to shareholders, who could not be expected to forego dividends indefinitely, and risked creating a climate prejudicial to future attempts to raise capital for mining enterprise in the Empire generally. To this extent, Chester Beatty welcomed the proposals made in the 1944 Budget Speech, including depreciation allowances and tax relief to industry covering expenditure on plant and equipment. If these were properly implemented, he thought, they would go ‘some way’ towards alleviating the disadvantageous position of British mining companies, in relation to enterprises whose assets were not wasting.

Increased taxation had a dramatic effect on government revenue, which grew by nearly a third between 1940 and 1941. This enabled the government to accumulate cash reserves, some of which were used to make interest-free loans (totalling £1.8 million) to London. In this sense, the war only served to reinforce official recognition that Northern Rhodesia’s revenues were critically dependent on the copper industry. Not only did income tax from the mining companies represent nearly 40 per cent of the territory’s revenue, but the Copperbelt’s prosperity also affected Northern Rhodesia’s other main sources of revenue, the customs and ‘native’ taxes. Moreover, Rhodesia Railways, the territory’s second largest source of income tax, was directly affected by the rate of copper production. The experience of healthier revenues led the Colonial Office to become more adventurous in its approach to taxation policy generally. In 1944, looking ahead to the post-war period, it was keen to investigate the possibility of new methods of raising revenue in Northern Rhodesia, specifically by levying an export tax, varying in relation to company profits, to be considered when the copper industry had returned to more normal conditions, and the whole of the Copperbelt’s production was no
longer being purchased by the Ministry of Supply. As the post-war years would demonstrate, the entire question of taxation was intimately linked to the growth of settler power, and to a stubborn tendency, shared by local politicians and the colonial state, to see the copper industry as a permanent ‘milch-cow’, through manipulation of which personal taxation might be limited, allowing the burden of government expenditure to fall on the Copperbelt.

Mineral royalties

Closely related to the question of taxation was the mineral royalties issue. This was not only brought into prominence by the war, but attracted intensified criticism focussed on the draining abroad of Northern Rhodesia’s mining wealth. The importance of devising an appropriate formula whereby the state could extract its due share of the proceeds of mining had been explored before the war by Lord Hailey, whose survey of African conditions remained influential among British policy-makers during the war. In discussing the public interest in colonial mining, Hailey had noted the industry’s speculative nature, the fact that heavy initial investment might be required, and that the resource had a finite existence. For these reasons, he argued, the investor was justified in expecting a higher return than in the case of ordinary commercial activity. Highlighting an idea which would become a mantra in official circles, Hailey stressed the care necessary if investment were not to be deterred. He saw royalties as being part of general taxation on mining. Since the public interest demanded that operations should involve the maximum extraction of low-grade ores, the state should not impose such heavy taxation that only the working of higher grade deposits seemed attractive. Hailey noted that in the Belgian Congo, the state retained a share of the profits of mining enterprise, which meant that the industry was not burdened from the outset with fixed charges. Moreover, through representation among company directors, the state was better able to influence labour conditions and other aspects of the industry. On the various forms of royalty, Hailey noted that a flat rate, while simple to operate, was problematic in that a low level meant that wealthier enterprises contributed less to public revenue than they could afford, while high levels discouraged the development of smaller mines and the extraction of lower-grade ore. In Katanga, he observed, the state employed a unique system, in which royalties were based on the ratio between profits and capital. But it was in South Africa that Hailey found the ‘most satisfactory’ method of
taxing the mining industry. Here, gold mining royalties had been replaced in 1925 with a tax on profits. Under this system, the state received a share of the industry’s proceeds based on the ratio of profits to recovery (a share which could exceed 50 per cent). In 1935, a further tax had been introduced on profits exceeding £10,000, which, together with Excess Profits Duty and income tax, could not exceed 50 per cent on excess profits. While this regime encouraged the mining of low-grade ore (which was desirable in that it extended the life of mines), it risked encouraging the production of increased volumes of ore, so as to reduce the tax payable, with the danger that mines might become less efficient.33 Hailey was not alone in his enthusiasm for South African practices. W.M. Macmillan, who had long experience of the Union, was convinced that the sliding scale of taxation on profits from gold mining had helped South Africa to develop other sectors of its economy, especially white agriculture. Seeing the South African framework of mining law as a model for the control of mining companies, he believed that Britain’s colonies could benefit in the same way if they adopted this system.34 South Africa’s wartime experiments with parastatal public corporations also attracted interest among officials and others casting about for machinery which might be harnessed to promote accelerated colonial development.35 It was perhaps ironic that at a time when Whitehall was becoming increasingly aware of the potential threat of an expansionist South Africa, the Union was seen as a source of innovative thinking on key issues in economic development, particularly on the role of the state and the taxation of big business. In some respects, paradoxically, pre-apartheid South Africa held attractions for reformist British opinion.

Within Northern Rhodesia, the trade union (and settler) leader, Roy Welensky, whose political position was strengthened during the war, took a radical line both on the future of the copper industry and on post-war reconstruction. Like a growing number of critics, he called for greater regulation of the mining industry to pre-empt any closures arising from the widely-expected post-war slump.36 Denouncing the loss of mining revenue through royalties and payments to directors and shareholders, which he claimed had benefited the imperial government to the tune of six million pounds between 1939 and 1943, he called for the state ownership of the Copperbelt mines and the elimination of the profit motive.37 A more immediate target, arguably more easily realised, was the system under which the BSAC was the passive recipient of mining royalties. Welensky argued that Northern Rhodesia’s mineral rights should be recovered by the state.38 These royalties had
grown enormously in value with the development of the Copperbelt: in 1925, the BSAC had received just £12,800; in 1942, the figure had reached £301,500.\(^3\) Welensky’s fellow settler leader, Stuart Gore-Browne drew on Sir Alan Pim’s pre-war estimate that almost 60 per cent of taxation on mining had gone to the British Exchequer and the BSAC. The stark contrast was drawn between the £2.4 million Northern Rhodesia had paid to the British Exchequer in the decade after 1930, and the £136,000 it had received from the Colonial Development Fund.\(^4\)

Wartime developments on the Copperbelt, particularly the labour question and the disturbances of 1940, attracted growing interest in Britain. The Fabian Colonial Bureau and its co-founder, Arthur Creech Jones, paid especially close attention to mining questions. Margery Perham was another respected figure to voice concern about developments on the Copperbelt, and their wider regional significance.\(^5\) There were increasingly signs of a wartime swing in opinion against both the mining companies and white workers, reflecting a growing impatience with established privileges and system of property rights.\(^6\) In *Plan for Africa* (1941), Dr Rita Hinden, Secretary of the FCB, condemned the draining of wealth from Northern Rhodesia to Britain, and the absence of any coherent plan for the development of the territory’s resources, which she claimed meant that the Copperbelt’s development had done little to improve the condition of the local population. Echoing a theme all-too familiar in studies of colonial economics, Hinden lamented the over-dependence of the territory on copper, and the vulnerability of its revenue to fluctuating prices. The solution, she argued, was the public ownership of the industry, which would prevent the substantial financial drain which currently existed in the form of royalty payments, income tax to Britain and dividends to shareholders. Much heavier taxation of the mining companies would enable the colonial government to raise some of the capital it required for basic development work.\(^7\) According to Hinden, ‘The unsatisfactory method of financing mining operations in the past was the result of the abandonment of mining to the free play of capitalist enterprise’. Unless an alternative to this were found, the annual draining of the colonies’ wealth was ‘bound’ to continue. For Hinden, state-owned mining, ‘the obvious rational development of the future’, seemed to be the solution.\(^8\) This view was in keeping with Hinden’s belief, shared by a growing number of pundits, and officials, in Britain, that colonial development in general would require a much greater involvement by the colonial state than had traditionally been typical.\(^9\)
The problem of ensuring an adequate share of the proceeds of mining for governments had already been highlighted by W.M. Macmillan in *Africa Emergent*, which had emphasised the inequity of the ‘double taxation’ system. Not all Hinden’s Fabian colleagues shared her conviction that state ownership, as outlined in *Plan for Africa*, was the solution to colonial mining questions. The West Indian economist Arthur Lewis, for example, saw the fundamental problem as being to increase government’s share of the proceeds of mining, through higher royalties and taxation: from this perspective, nationalisation was ‘irrelevant’. Lewis’s misgivings were shared by Sir Alan Pim, who had investigated Northern Rhodesia’s pre-war financial situation, and whose *The Financial and Economic History of the Tropical African Territories* was published in 1940. Pim stressed the risky nature of mining, but disagreed with Lewis’s suggestion that CD & W funds might be used to guarantee the loans needed for mining development. He feared that precious funds might be squandered on fruitless projects, and argued that borrowing at fixed rates of interest might involve colonial governments in heavy debt burdens. Creech Jones was impressed by Pim’s argument: he thought that the most important requirement in colonial mining was for governments to establish adequate controls over labour and other conditions, and felt that governments were in a stronger position to do this than ever before.

Nevertheless, in its wartime policy document on the colonial territories, the Labour Party declared that indigenous populations had seldom benefited from mining operations under private enterprise, and called for colonial mining to be brought under state ownership and control. The more ‘conventional’ view was that mining profits were justified by the lengthy development period during which companies had to wait for a return on their investment (in the Copperbelt’s case, the firms earned nothing until 1932), and because the copper which they mined was a wasting asset. Having invested £22 million in the mines up to 1941, the companies had made gross trading profits of £25 million in the previous 18 years, of which £7 million had been paid in taxes, leaving less than £7 million to be paid out in dividends.

Early in 1943, the FCB failed to secure a wide-ranging debate in Parliament on colonial mining policy. Yet the unsuccessful question tabled by Lord Faringdon provoked some revealing private responses from senior Colonial Office officials. Sydney Caine, for instance, admitted that the Office had no established principles on how the taxation and royalties levied on mining should be calculated. Accepting that it was arguable that the subject was not one on which general rules could
be applied, but should be determined case by case, he suggested that a basic principle was that as much as possible should be secured for government as representative of the local community. However, possibly echoing earlier critics like Macmillan, who had questioned the capacity of both the colonial state and the Colonial Office to deal effectively with large-scale international capital, as represented by the mining companies, Caine added: ‘I should not care to argue that Colonial Governments are always very well equipped to make the best possible bargains with mining concerns’.52 Like his colleague Gerard Clauson, Caine felt that the Colonial Office should continue allowing private enterprise to exploit colonial mineral wealth, but that it should make greater efforts than in the past to gain the largest possible share of the proceeds of mining for colonial communities.53 However, suggestive of the sometimes bewildering shifts of stance associated with official discussions on ‘reconstruction’ and its many associated problems, Caine subsequently qualified this view by questioning Northern Rhodesia’s case for a larger share of the revenue it generated, given that the capital and skill needed to develop the copper industry had had to be imported.54

Having failed to secure the policy debate it had sought, the FCB opted to approach the Colonial Office directly. In August 1943, Rita Hinden wrote to Oliver Stanley, the Colonial Secretary, calling for a comprehensive review of colonial mining policy and the formulation of a set of basic principles, focussing on the need to conduct mining in the interests of the colonies themselves. It was this letter, more than anything else, which set in motion a prolonged and searching enquiry by officials into the state of mining in the colonies.55 Hinden’s central proposition was that as large a share of the proceeds of mining in a particular territory should be enjoyed by the people of that territory. This, she claimed, could be achieved if the state owned all mineral resources (and where mineral rights had been alienated, these should be recovered); all future mining development should be conducted by the state, possibly through a public corporation; finally, and most controversially, the state should take control of existing, commercial mining operations. According to Hinden, the advantages of public ownership were that it would permit a better distribution of the proceeds of mining; it would encourage better working conditions and higher living standards; and it would enable future development to be planned, particularly with a view to promoting greater economic diversification. While Hinden conceded that it might not be in the colonies’ immediate interests to embark on programmes of public enterprise, the potential advantages, she argued, would outweigh any
temporary disadvantage. Yet Hinden also included the important admission that if public ownership proved not to be feasible, an alternative would be for the state to establish effective controls over private enterprise through legislative intervention, involving changes to the taxation system, adjustments to the way royalties were calculated, and rigorous enforcement of colonial labour laws. In effect, Hinden and the FCB were acknowledging that most of their goals could be achieved within the framework of private enterprise. 56

Nevertheless, the philosophy underlying Hinden’s position was less distanced from official preoccupations than its rhetoric and idealism might at first suggest. Wartime conditions, and especially the perceived need to justify the record of British colonial rule to international opinion (not least Britain’s American allies) led increasingly to a congruence between Hinden’s broad argument and official policy, particularly once serious thinking on post-war reconstruction had begun. Thus, at the end of 1942, the War Cabinet declared that natural resources were to be used ‘not for the promotion merely of commercial ends but in the best interests of the peoples concerned and of the world as a whole’. This not only embraced the Fabian position on colonial development, but embodied a conscious endorsement of Article VII of the Atlantic Charter, against which colonial policy would increasingly be tested. 57 Equally, it would be mistaken to see wartime discussions on the role of the state as the product of ideological speculation by enthusiasts marginal to policy-making. On several occasions during the war, the issue threatened to become dangerously prominent. In September 1942, for instance, reports emerged that ‘extremists’ in both Northern Rhodesia and the Belgian Congo were in close contact, that a strike might be imminent in the latter, and that sympathisers on the Copperbelt would attempt similar action. The miners’ unions in both territories were believed to be seeking the nationalisation of the mining industry. 58 Similarly, early in 1944, prior to the announcement of the impending production cut, Lusaka warned London that angry European miners might call for the nationalisation of the mines, and launch a politically-motivated strike. 59 In South Africa, meanwhile, Afrikaner nationalists, to whom the MWU had close ties, busied themselves in the years leading up to the Nationalist election victory of 1948 in attacking ‘monopoly capitalism’ and calling for the nationalisation of the gold mines. 60

Recognising the need for some clearer statement of policy, and perhaps hoping ultimately to appease restless Northern Rhodesian settlers, who were frustrated at the stalemate over amalgamation of the
Rhodesias, the Colonial Office asked its newly-formed Colonial Economic Advisory Committee to conduct a comprehensive review of colonial mining. The Committee, whose membership included academics, businessmen and former colonial administrators, and whose first secretary was Arthur Lewis, spent over a year deliberating the question, beginning in 1943.61 A key problem referred to the CEAC was the future of Northern Rhodesia’s mining rights. The Colonial Office explained that the question was pressing. The Northern Rhodesian government faced substantial deficits after the war, because its current surpluses were unlikely to last until revenue matched expenditure. The government therefore urgently needed a new source of revenue, which could be targeted towards economic and social development. A key argument for acquiring the territory’s mineral rights was that it would make the government’s financial position less vulnerable, because royalties were payable whenever copper was mined, not only when it was mined at a profit, and so would form a more stable form of revenue. In their advice to the Committee, officials suggested that the current high rate of copper production, and high price, were not insuperable obstacles to purchasing the rights: prevailing abnormal conditions would have to be taken into account when the purchase price was calculated.62 This advice was given at a time when a post-war slump on the Copperbelt was still widely expected. Ironically, wartime factors which complicated a purchase would only intensify after the war. The Colonial Office stressed that the problem had not only a financial significance, but that there were political arguments for purchasing the territory’s mineral rights, particularly the fact that the settler population had always objected ‘strongly’ to the rights being in private ownership. A basic issue remained whether the Northern Rhodesian government should contribute to the cost of purchasing them. Here, the Colonial Office emphasised that the British Exchequer received half the taxation paid by the mining companies, thanks to the workings of the double taxation system. As the Office explained, the most important consideration regarding the purchase of the rights was whether they could be bought on favourable terms. This, in turn, largely depended on the manner of the British government’s approach to the BSAC. Here, officials felt that it might be helpful if the Company could be told that the private ownership of mineral rights was incompatible with the government’s thinking on colonial development.63 In Cohen’s view, it was pointless to discuss the matter purely on its commercial merits: rather, it had to be viewed as a ‘skeleton in the cupboard’ of British colonial policy, and a ‘disreputable relic’ of
earlier attitudes, one which it fell to the British tax-payer to rectify. By the beginning of 1944, the CEAC’s Minerals Sub-Committee had concluded that Northern Rhodesia’s mineral rights should be purchased, but that the current price and high rate of production made the timing inopportune: once conditions were more settled, members felt, negotiations should begin. Nevertheless, the Colonial Office evidently wished to retain the initiative on the entire question. It was for this reason that Stanley advised against resurrecting Northern Rhodesia’s draft mining bill, which had lain dormant since 1936, in case it encouraged the territory’s unofficials to reopen the mineral rights question.

In July 1944, the Colonial Office approached the Treasury on the mineral rights issue, stressing that the Colonial Secretary agreed with the governors of Northern Rhodesia and Nigeria that the existing situation was ‘entirely inconsistent with modern ideas’. The Treasury, however, considered that the Colonial Office’s case was peppered with ‘dubious’ propositions. On the inconsistency of the private ownership of mineral rights with current thinking, for example, it described the National Government’s purchase of coal mining rights in Britain as being driven primarily by technical and administrative convenience. More importantly, the Treasury was most reluctant to concede that over the royalties issue, the British government had in the past made ill-judged bargains: to admit this might risk calling into question other agreements which had subsequently proved to be to the disadvantage of the colonies. The Treasury’s view, quite simply, was that the colonies ‘must take the rough with the smooth’. Nor was the Treasury impressed by the argument that if London did not help to purchase the mineral rights, it would eventually have to give assistance in other forms, under the CD & W Act. Officials were sceptical that help towards buying the rights would result in reduced grant applications. Anticipating that the current CD & W limit (£5 million per annum) would be reached in the post-war years, the Treasury felt that additional funding for Northern Rhodesia (and Nigeria) would have to be at the expense of other territories. At this stage in the war, before the extension of the CD & W Act in 1945, the Treasury still hoped that when the realities of Britain’s post-war financial circumstances became better appreciated, public opinion would be less disposed to welcome higher spending on the Colonial Empire. Within the Treasury, these views were endorsed by Sir Hubert Henderson, a member of the CEAC. Henderson, echoing the scepticism long felt in the Treasury towards the entire colonial development policy, was even more critical than
some of his colleagues of the Colonial Office’s plea for financial help, regarding this as symptomatic of the kind of largesse tolerable in the early stage of the war, but quite insupportable given Britain’s current weakness. Like his colleagues on the CEAC, he was convinced that purchasing the rights at that stage, when output and prices were distorted by wartime conditions, would ‘almost certainly’ involve paying more than would seem reasonable a few years later.69

Following these initial soundings at official level, Stanley approached the Chancellor, Sir John Anderson, directly in August 1944. It is worth noting here that Stanley had been, during the 1930s, closely associated with the ‘Middle Way’ group of Conservative MPs, including Harold Macmillan and Robert Boothby, which had offered unorthodox solutions to some of the economic problems then evident in Depression-stricken Britain. Stanley had also been part of Chamberlain’s pre-war government, which had taken mineral rights into public ownership in 1938. He would subsequently play an important role in revising the economic policies of the Conservative Party, in the wake of its humiliating electoral defeat in 1945.70 Stressing the political case for purchasing the mineral rights of both Northern Rhodesia and Nigeria (a tactic he would successfully employ when seeking enlarged CD & W funding), Stanley claimed that there was everything to be said for finally disposing of ‘this discreditable legacy’, and warned of the likelihood of critical questioning in Parliament, from both sides, if action were not taken.71 Anderson’s response was predictably discouraging. If the BSAC and the UAC were willing to accept a price acceptable to the governments of Northern Rhodesia and Nigeria respectively, then he was happy for the latter to proceed with their proposed purchases. But if the companies would not accept such a price, or if local political considerations made the colonial governments unwilling to use their own resources to make the purchases, even at an acceptable price, then there was no point in further discussions.72 Following this rebuff, it appeared that the Colonial Office would have to abandon any attempt to enlist Treasury help in buying the mineral rights, at least for the time being. This would inevitably be an ‘extremely unpalatable’ decision, from the Northern Rhodesian government’s point of view, especially as pressure in the territory to acquire the rights persisted. It was hoped that this news could be sweetened by combining it with the announcement, in due course, of Northern Rhodesia’s share of aid under the new CD & W legislation.73

In its report, presented in December 1944, the CEAC accepted that a prominent objective in mining operations should be to ensure that a
proper share of the proceeds of mining should be retained in the territories from which they were extracted. The Committee reached no conclusion on whether this could best be achieved under public or private enterprise, but thought that in practice considerations of efficiency would be decisive. Government operation, however, might be appropriate if private enterprise proved reluctant to invest, or if the mineral involved had a strategic importance. Significantly, the Committee identified scope for government action within the existing ownership framework, controlling the rate of development so as to lessen its social impact, and mitigating the effects of world market fluctuations, for instance by providing public works for unemployed workers, and by cutting taxes during periods of recession. While its report called for measures to ensure a fair share of mining proceeds for the colonies, the CEAC also stressed the very speculative nature of mining, and warned governments against being over-zealous in their quest for higher revenues: in order not to deter private investors, and so hinder development, it was necessary to leave a few ‘glittering prizes’ to attract investors, even if this evoked some public criticism. In endorsing the view that colonial mineral rights should not remain in private hands, the Committee, while echoing much of the FCB’s earlier reasoning, offered essentially practical reasons. Given that colonial governments might incur a heavy capital outlay to provide the infrastructure necessary to mining, it was reasonable that they should recoup some of this outlay from royalty revenue; moreover, public ownership of mineral rights would enable governments to control the scale of mining concessions, and the rate at which they were exploited, allowing mining to be fully integrated into overall development plans.

In keeping with the new-style presentation of colonial policy, there was an increasing tendency for territories’ interests to be emphasised. Within the Colonial Office (and among some colonial governments), there was concern that in the past, mining companies had damaged colonies’ interests in their competitive pursuit of the lowest possible prices for their produce: it seemed that this would have to be adjusted in future plans and discussions. The extent of the shift in official thinking was revealed by a comment by Gerard Clauson, made in the midst of the reconstruction debate:

The big mining groups concerned with the various competing base metals do real disservice to the countries whose assets they are realising by competing with one another to drive down prices as low as possible, and that in any international discussions... and in any particular arrangements which we make in regard to particular colonial
mineral developments, we should give a much more prominent position to the interests of the colonial territory concerned than has hitherto been customary. 75

Among other things, this comment points to a fundamental tension in Whitehall’s interests, for example between the Colonial Office, anxious to see Northern Rhodesia receive a fair price, and departments such as the Board of Trade and Ministry of Production, who were keen to keep prices low. While low production costs would make the mining industry more competitive, low prices (and therefore lower profits), would mean reduced revenue for the government of Northern Rhodesia. Related to this growing official concern in London, denoting, arguably, the conversion of the bureaucratic elite to the new, wartime, collectivist consensus on the role of the state in economic management (or at least the selective adoption by officials of those elements of the consensus most relevant to colonial conditions), was what has been described as a ‘mounting contradiction’ in Northern Rhodesia and the functions of its colonial state. On the one hand, the territory was subjected to the typical wartime stress on maximised commodity production; on the other hand, new colonial policies, embodied in the development initiative after 1940, implied that the colonial state would be both empowered to assume a proactive role in stimulating local economic and social development, but would also be able to rise to the challenge of managing local economies to an extent which had never been envisaged when its rudimentary administrative machinery had originally been devised. 76 Coupled with the inevitable staff shortages arising from wartime military service, it is perhaps understandable, then, that the tendency for ‘bureaucratic inertia’ sometimes evident when the colonial state was confronted with controversial questions, should have been accentuated. 77

Labour and the evolution of mining policy

After 1945, Labour ministers’ thinking on mining questions was closely related to the party’s broader thinking on colonial development. Notwithstanding the fact that colonial resources were exploited in the post-war years with unprecedented enthusiasm, the idea of planning and government control appealed to a strand of Fabian paternalism which sought to shield colonial populations from the least desirable features of capitalist modernisation. 78 Wartime state intervention to mobilise colonial economic resources, and the newly-coalescing ideas
on how best to promote colonial development, created an important precedent for action by the colonial state, and produced potential tensions between the state and big business. Arguably, left of centre commentators were less comfortable with the promotion of colonial industrialisation for its own sake than with harnessing the new powers of the colonial state to provide the infrastructural framework which would permit a peasant agricultural revolution in the colonial territories. Moreover, it can be argued that the Labour Party had little in the way of coherent policy on private industry: much of the new administration’s activity was improvised, broadly within the structures of the wartime command economy. Shortly after the election of Attlee’s government, Hinden wrote to Creech Jones, newly installed as a junior minister at the Colonial Office, calling for a fuller statement on colonial mining policy than Churchill’s outgoing Coalition had been able to offer. Little had been done with the report of the CEAC which, during the summer of 1946, was still being ‘considered’ by ministers. Eventually, the report was approved by the Colonial Secretary, George Hall, following discussions with Creech Jones. In this form, it was despatched to the colonial territories as the Memorandum on Colonial Mining Policy in October 1946, offering guidance on how colonial governments should formulate their mining policy, and anticipating the reforms which would be introduced in Zambian mining after independence. In the accompanying circular despatch, Creech Jones, newly elevated to Colonial Secretary, noted the ‘utmost importance’ of government retaining adequate control of mining, so that operations were carried on in the interests of the territory and for the ‘general benefit of the community at large’.

The most politically sensitive portion of the Memorandum, substantially redrafted by Creech Jones himself, dealt with the conduct of mining operations, and it was this section which attracted the bulk of subsequent criticism. Government operation of new and existing mines was positively advocated, although no attempt was made to argue the special merits of public ownership. Similarly, no guidance was offered on how such a system might be introduced. Remarkably, there was no discussion of the issue of compensation for expropriated private owners. Although some were slow to respond, most colonial governments reacted favourably to the Memorandum, apparently subscribing to the principle of government ownership and operation of mines in appropriate circumstances. For key figures within the mining industry, however, suspicion of government was instinctive and unshakeable. Chester Beatty, for example, enjoyed opening board
meetings with attacks on the evils of bureaucratic intervention and celebrations of the virtues of private enterprise. More measured were Harold Hochschild’s private complaints that relations between the mining industry and the Northern Rhodesian government had been ‘poor’ for a decade, partly because of a lack of continuity in government policy. Hochschild looked enviously at Union Minière in the Belgian Congo, which he felt had the advantage that its government was a ‘fairly understanding partner’, not a ‘frequently troublesome outside influence’, as the Lusaka authorities could be. The Memorandum’s advocacy of state operation was especially criticised by the mining industry, which claimed that this suggestion had created an atmosphere of uncertainty, not least among potential investors. This uncertainty about the British government’s intentions, it was claimed, was effectively delaying further development. The mining industry’s alarm needs to be seen against the background of recent developments within Britain, where the first wave of post-war nationalisation had been enacted, bringing the coal, gas and electricity industries, together with the Bank of England, into public ownership. The mining industry gradually assembled a detailed case against the public ownership of colonial mining. Representatives of the industry were irritated that they had not been consulted when the Memorandum was being drafted – an omission which seems unlikely to have been an oversight. Fundamentally, it was asserted, mining (especially in its developmental stages) was an unsuitable area for government activity. The often-repeated statement that mining was highly speculative in character was deployed once again, and reference was made to the large sums of capital inevitably lost when ventures failed to fulfil initial expectations. Given that it might take up to four years to bring a mine into production, any fear that the terms of a mining lease might be altered after, say, five years would be bound to discourage further investment by the industry.

The mining press, unsurprisingly, stressed the important contribution private enterprise had made to colonial development. Reflecting concern that the government sought to discourage this role, it was implied that further exploratory work had been suspended pending clarification of the government’s intentions. Foremost among the bodies representing British colonial mining interests, the British Overseas Mining Association was especially vocal in its criticism of the Memorandum. Privately, the Association, and leading figures within it, such as Prain, considered that there was little in the Memorandum of immediate relevance to the Copperbelt, seeing it as being of more
interest to the BSAC than to the mining companies, and comprising a ‘strange mixture of common sense, self-evident truths and some impractical Socialist theories’. Much of what the Memorandum advocated was already being done by the copper companies, which had been at the ‘fore-front’ in urging that a greater proportion of the taxes they paid should be retained within Northern Rhodesia instead of passing to the British Treasury. Equally, the companies, it was felt, had done much to create opportunities for the promotion of African employees.\textsuperscript{92} Nevertheless, the BOMA’s formal response was more vigorous. In reply to the suggestion that governments should strive to convert a wasting asset (minerals) into a permanent one, using revenue from mining to train colonial populations, equipping them to support a higher standard of living, the BOMA argued that the mining industry in the colonies was already doing this, as well as providing various amenities and opportunities. The Association asked whether the government proposed that the revenue from taxation and royalties should be used to raise a whole population up to the degree of training and living standards enjoyed by the mine workforce, or whether it was intended that the facilities currently provided by mining companies should in future be supplied by government, a point of particular relevance to Northern Rhodesia.\textsuperscript{93}

By March 1947, the BOMA was in a position to produce a detailed response to the Memorandum. Surprisingly, in view of the importance which the entire subject of African advancement was shortly to assume, the Association questioned the wisdom of training local populations to fill the highest posts in mining, arguing that the industry was inherently transient, and that no such posts might be available once the mineral resources of a territory had been exhausted. Moreover, asserting that every ‘reputable’ mining concern sought to train indigenous populations to be qualified for the highest technical posts ‘within their capacity’, the Association argued that experience in the West African colonies suggested that before Africans could be entrusted with higher administrative posts, ‘a considerable amount of moral education is required’.\textsuperscript{94} On the vexed matter of the proceeds of mining, the BOMA referred to the ‘common fallacy’ that mining operations extracted wealth from a country primarily for the benefit of aliens, leaving only a small share of the proceeds for the indigenous population. The Association welcomed the suggestion in the Memorandum that the taxation of mining ventures should be directly related to the profits they earned (through which the Colonial Office aimed to encourage the working of low-grade deposits).\textsuperscript{95} On the other hand, the BOMA
was ‘strongly opposed’ to the levying of export duties, seeing these as a tax on a product which had to compete in the world market, at world prices. Export taxes would damage mines’ competitiveness, and, bearing no relation to the actual income earned from mining operations, would disadvantage less profitable ventures and discourage the working of low-grade ores. More generally, the Association feared that if colonial governments tried to increase their share of the proceeds of mining, for example through discriminatory taxation, or by reviewing tax rates at short intervals, the effect would simply be to deter investment in colonial mining, and so adversely affect colonial development. The BOMA was also concerned about the implication in the Memorandum that taxation of the mining industry should be used as a means of regulating employment levels. This seemed to contradict the basic premise of mining operations – to extract the largest quantity of mineral at the minimum cost – because it would reduce output at certain times, while increasing costs. In mining, the Association argued, reduced output could produce ‘quite disproportionate’ cost increases, since facilities had to be maintained at full-scale regardless of output. Emphasising the speculative character of colonial mining, the BOMA cited the Copperbelt as an ‘excellent’ example both of the risks inherent in mining, and of the scale on which operations had to be conducted in order to be profitable.96

The FCB, which had urged Creech Jones in October 1946 to make a comprehensive statement on mining, was hardly effusive about the Memorandum on Colonial Mining Policy. Rita Hinden thought it too cautious, and feared that little would be achieved in state mining if the initiative were left to colonial governments. Because many colonial mining companies were based in Britain, it would be difficult, she thought, for individual colonial governments to disentangle the companies’ many interests, and to establish precisely what interests a company had in any one territory.97 Hinden suggested the formation of a colonial mining corporation, based in Britain, to which the assets of the various colonial mining companies could be transferred through acts of nationalisation. A large, centrally-organised corporation could, she argued, command much greater resources of finance and personnel than could individual colonial governments. Moreover, by operating throughout the colonial empire, the corporation could spread its risks more widely than could a smaller body, a point already reflected in the trend towards concentration within private enterprise, including the mining industry. Such a corporation could engage not only in exploration and the development of new mining enterprises, but could also
take over the activities of established companies. Hinden recognised that it would be politically delicate for the metropolitan government to nationalise the assets of colonial mining companies, not only because of the companies’ likely reactions, but also because such vigorous action from London might offend colonial political sensibilities. She therefore suggested that colonial governments should be allowed to nationalise mines in their own right, if they chose to, or that mines nationalised by her projected mining corporation on behalf of the British government could be surrendered to colonial governments on request (although she doubted that many local administrations would make this request, once they realised the advantages of central control). Hinden also stressed that the colonial territories would have to be represented on her proposed mining corporation, pre-empting charges that Britain was exploiting colonial mineral resources for its own benefit.98

The Colonial Office was generally unenthusiastic about the mining corporation proposal: Caine considered it a ‘thoroughly bad idea’. This was not because he thought government had no role in mining: on the contrary, there was a case for public enterprise when efficiency demanded it, to enable a colony to extract a fair share of the proceeds, or even, as had been the case in Britain, to help engender a more cooperative spirit within an industry. But none of these considerations seemed to Caine to justify creating a mining corporation. Nor, he felt, could an organisation with such diverse interests be efficient – a striking reversal of the argument he had used during the war in favour of a centrally-organised development corporation.99 Replying to Hinden, Creech Jones emphasised the possibly unfavourable reaction in the colonies in view of the developing movement towards self-government – the important despatch on local government had been issued only weeks before. Ruling out nationalisation from London as impracticable, he left open the possibility of steps towards public ownership by individual territories. The key obstacle, he noted, was finance: given Britain’s own bleak financial prospects in 1947, he did not feel able to approach the Treasury with a scheme for a mining corporation.100 Within the FCB, loath to abandon its preferred policy, the impression developed that the Colonial Office’s guidance on the scope for nationalisation was being ‘deliberately overlooked’ by colonial governments.101

Although Creech Jones denied that the Memorandum on Colonial Mining Policy was ‘doctrinaire’ and ‘socialistic’, embodying, in his view, rather, a ‘common sense’ approach102, the Colonial Office found itself
during the first half of 1947 having to mollify the mining industry's hostile reactions to certain aspects of the *Memorandum*. For example, it was stressed that the important role played by the private prospector and private enterprise was appreciated, and that there was no reason why this role should not continue. Nevertheless, regulation of the mining industry was necessary in the interests of the wider development of the territories concerned, and in the best interests of their populations. Similarly, the Office suggested, government operation would be especially desirable where private concerns were unwilling to risk investment, for example where the likely margin of profit would be inadequate to attract private enterprise, but where there were economic reasons to promote mining, perhaps in order to create employment. Regulation of private enterprise, not its displacement, was increasingly emphasised in official statements on colonial mining. Writing to Hinden in May 1947, Creech Jones explained that he saw the role of private enterprise in the field continuing ‘for a long time’, and when African colonial governors convened in London for an unprecedented conference in autumn 1947, it was declared that ‘a general policy of nationalisation…was not intended’. By late 1947, in the wake of the convertibility crisis, the emphasis in colonial economic policy was to achieve the maximum production of valuable commodities, which in turn would require the co-operation of big business, including the mining industry, notwithstanding Labour’s long distrust of capitalism in a colonial setting. In Creech Jones’ case, the first flush of ideological enthusiasm may have given way to increasing pragmatism, given the special difficulties encountered in the colonial context. When Attlee’s Cabinet was divided over the issue of steel nationalisation, Creech Jones was, according to Hugh Dalton, firmly among the pro-nationalisation lobby. Yet when the nationalisation of Rhodesia Railways was being discussed, Creech Jones feared that this would involve an unacceptable diversion of scarce resources, much needed to improve African living standards.

Ironically, after 1947, a mechanism designed to promote colonial public enterprise existed, in the form of the Colonial Development Corporation. A product of wartime deliberations on the role of the state in promoting accelerated economic development in the colonies, and subsequently of the desire to maximise colonial output of dollar-earning and dollar-saving commodities, the Corporation might have been expected to include mining within its activities. Yet when Colonial Office and Treasury officials met in May 1947 to discuss the Corporation’s future activities, it was agreed that the new organisation...
Controlling the Mining Industry

would probably not interest itself in mining. However, during the CDC’s first year of operation, Creech Jones appears to have hoped that the Corporation would be more adventurous. Despite this, the Corporation, keen to maintain its operational autonomy from the Colonial Office, responded that it preferred not to involve itself in mining operations, particularly not in the risky early stages of mineral prospecting. In these circumstances, the idea of separate state-owned corporation to undertake prospecting, dismissed when suggested by the FCB, began to hold new attractions to officials in the Colonial Office. Belatedly, in 1950, using Colonial Development and Welfare funding, the Northern Rhodesian government created its own Geological Survey Department, initially as a division of the Department of Labour and Mines. The territory was one of the last in which the state took this step: previously, there had been little incentive, since the mining companies and the BSAC had well-established prospecting arrangements. The new department was intended to complement, not duplicate, private initiative, by looking for minerals crucial to the territory’s wider industrial development.

Continuing discussions within the Colonial Office on the state’s role suggest some confusion about Creech Jones’ primary objective: either to ensure that colonial governments derived the maximum benefits from their territories’ mineral resources (the ‘Office’ view), or to secure a greater degree of local participation in colonial mining investment (whether private or public) so as to decrease the flow of wealth from the colonies in the form of remitted profits. The general verdict within the Colonial Office was against the formation of a government prospecting corporation, above all because it was feared that any substantial shift towards state enterprise would discourage private investment in the colonies. One of the most searching analyses of the problem was produced by Gerard Clauson, whose breadth of experience of colonial economic issues made his comments authoritative, if not always fashionable. Clauson applauded the basic principle of the Memorandum on Colonial Mining Policy, that the largest possible share of the proceeds of colonial mining should be retained for the local population, but asked whether this could not be achieved through a well-structured taxation system, without transforming the responsibilities of colonial governments. It was quite a different thing, he suggested, to claim that public enterprise was desirable in itself: the failure to make this distinction was, he thought, responsible for much of the confusion reigning in official circles. Clauson argued that the proper role of government was to concentrate on the initial stages of geological
surveying. He did not dismiss the idea of governments subsequently engaging in actual mining operations, if private enterprise lacked interest in a particular scheme, but he emphasised that governments did not have to participate in mining to secure their share of the resulting profits: on the contrary, this share should come from taxation, although Clauson warned that taxes should not be levied at so high a rate as to frighten away ‘the goose that lays the golden eggs’.  

**Taxation: the post-war setting**

It has been argued that the mining companies did not object in principle to paying taxes on their profits. Nevertheless, the level of taxation imposed did become an important consideration during the 1940s and 1950s.  

Attlee’s government continued to tax business at relatively high rates, and attracted predictable criticism from key figures in the mining industry, particularly when high levels of public expenditure could be associated with ill-advised ventures, most famously the capital-hungry East African Groundnuts Scheme. Furthermore, ministers were not indifferent to the industry’s particular needs. In 1949, for instance, Cripps introduced changes in the tax system which allowed mining companies to claim depreciation allowances for the minerals they worked, something for which the industry had long campaigned. Concerned that post-war taxation policies had disadvantaged British mining companies operating overseas, by making it difficult for them to attract the investment capital they needed, he appointed a Royal Commission in 1951 charged with examining appropriate tax-relief measures.  

In the immediate post-war period, the Colonial Office was keen to see most colonies develop direct forms of taxation, especially income tax, on a progressive basis, and to reduce indirect taxes on everyday items. When the Chancellor of the Exchequer announced in November 1945 that EPT in the UK would be reduced to 60 per cent from the beginning of 1946, the Colonial Office informed the Northern Rhodesian government that, subject to other means of taxation fulfilling the territory’s revenue needs and safeguarding against inflation, and that provided any relief conceded should be used to help rehabilitate the mining industry and make it more efficient, the Secretary of State was willing to consider any plan from the Lusaka authorities to reduce or withdraw EPT. For its part, the Northern Rhodesian government remained concerned about its own revenue position, and willing to explore new cash-raising methods. Late in
1945, for example, the Joint Development Adviser to the Northern Rhodesian and Nyasaland governments, S.F. Clay, pointed out that events during the war in Northern Rhodesia had shown how precarious was the share which the government could expect from the Copperbelt’s exportable wealth. The mining industry’s costs, for instance, could rise without any reference to the government, because of labour’s demands for ever-increasing wages. Were copper prices to fall, he warned, the government might receive revenue quite insufficient to cover the services it provided. In the case of mining, where government revenue depended so heavily on world prices and the efficiency of the mines (both of which were beyond government control), the situation was too unpredictable for government to be able to plan development with confidence. Northern Rhodesia’s Financial Secretary, when introducing the 1946 Budget, had said that to maintain existing services would require revenue of £2.5 million. Clay’s solution was for an export tax to be considered. This would involve a fixed charge on the industry per ton of copper produced. Clay believed that a contribution of £1 million to £1.5 million from the mining industry would not be unreasonable, in addition to any contribution to company tax.123

By the beginning of 1946, the Colonial Office was becoming increasingly concerned about the Northern Rhodesian government’s apprehensive attitude towards financial matters, especially since its revenues had been much healthier than had originally been expected. Given the inherent unpredictability of the copper industry’s fortunes, officials in London felt that Lusaka needed to build flexibility into its development planning, avoiding what was seen as the ‘purely defeatist’ attitude that ‘nothing’ could be done in the territory unless the copper industry were booming.124 A fundamental problem was that Northern Rhodesia’s income tax rates for individuals were substantially lower than those of neighbouring territories, but any attempt to raise them would have to overcome resistance from the unofficials in the legislature.125 The territory’s Taxation Review Committee, composed of four unofficials, and chaired by the Financial Secretary, had recommended, in its 1946 report, that individual tax rates should be cut still further, with compensating increases in the company rate. This largesse seemed difficult to reconcile with the territory’s current allocation of £2.5 million from Colonial Development and Welfare funds, and might even prejudice Northern Rhodesia’s future chances of raising loans in London, since it would be difficult to convince the Treasury that an adequate effort was being made to raise much-needed capital.
locally.\textsuperscript{126} There was, however, a danger in stressing the obstacle which a low tax regime might pose to Northern Rhodesia’s ability to raise loans in London: this would in effect be to challenge the views on taxation of the Legislative Council’s unofficial members. As Seel commented: ‘Nothing could be better calculated to throw the European non-officials into the arms of Southern Rhodesia or the Union’.\textsuperscript{127} Nevertheless, the loan argument was a powerful one, and a reminder, as London pointed out to Lusaka, that access to the cheap loan market through approved issues was a privilege.\textsuperscript{128} Important changes in colonial taxation policy were introduced in 1947. As a result, the Northern Rhodesia government was able to keep the full value of the income tax it levied on British companies operating in the territory, with Britain retaining only the difference between this amount and its own tax rate, provided the latter were higher. Before 1947, Lusaka had received less than six per cent of the value of copper sales: by 1948 the figure was closer to 11 per cent. Between 1947 and 1948, the Northern Rhodesian government’s revenue rose by around 50 per cent. Moreover, following Britain’s devaluation in 1949, price increases negotiated with the Ministry of Supply were reflected in yet higher tax revenue for the territory, with London actively encouraging Lusaka to review its tax levels so as to ensure that Northern Rhodesia benefited from the newly-enhanced export prices.\textsuperscript{129}

In 1947, Lusaka published the territory’s ten-year development plan, with a projected expenditure of £13 million. Some £2.5 million of this would come from Colonial Development and Welfare funds, available under the expanded provision of the 1945 CD & W Act. Welensky had already made it clear that he would be willing to waive this funding, provided Northern Rhodesia received the full taxation levied on the mining companies, and the mining royalties currently paid to the BSAC.\textsuperscript{130} Nevertheless, with copper prices rising, opinion was hardening within the Colonial Office that some means ought to be considered whereby a larger share of the mining companies’ swollen profits, in addition to current income tax revenue, might be acquired for the Northern Rhodesian government.\textsuperscript{131} There were three possible avenues. The first was an export tax, though here the Ministry of Supply feared that this might contravene the principles of the anticipated International Trade Organisation, as well as adversely affect Northern Rhodesian copper’s position on the world market. A second option was a customs surcharge on exported copper, similar to that in force in the Belgian Congo. In effect an export tax, this would, however, be open to the same objections. This left the possibility of an Excess Profits Tax.
As already noted, Lusaka had abolished this in 1946. It was thought that the Legislative Council would only accept its reintroduction on the basis of discrimination against British companies, which would in turn jeopardise the newly-agreed double taxation arrangements.132

In addition to seeking extra revenue for development purposes, the Northern Rhodesian government’s thinking on the desirability of a copper levy was shaped by ongoing discussions during 1947 and 1948 on measures for placing the mining industry’s current prosperity on a more stable footing. The government’s Advisory Committee on Industrial Development (ACID) considered a suggestion that a commodity corporation be created, to finance production during periods of low consumption. Initially, this fund would be subscribed by the companies themselves, the banks and the government, but this would be supplemented by revenue from a graduated levy on copper sales, at current high prices. When prices declined, output would continue as normal for a period, so as to stifle high-cost competitors, followed by a period of stockpiling.133 Discussions on a tax on copper had arisen in September 1946, when the Colonial Office was considering the possibility of a special tax on the BSAC’s mineral royalties. It had then been agreed this would be unacceptable because it would discriminate against the BSAC, prompting suggestions that a tax on copper production, to be paid by the mining companies, might be more appropriate.134 When the Colonial Office considered Lusaka’s stabilisation scheme, it was felt that this should be kept distinct from discussions on a copper levy. Whereas the latter might potentially benefit the territory as a whole, it was felt (rather unimaginatively) that stabilisation would primarily benefit the copper producers, and that any scheme should chiefly be their responsibility.135 To some officials in the Colonial Office, it was ‘entirely legitimate’ that Northern Rhodesia should share in the wealth derived from current high copper prices, a view buoyed by the Ministry of Supply’s belief that the mining companies could bear a ‘substantial’ duty, although it was accepted that nothing should be done which might discourage production.136 Here, the ramifications of Britain’s convertibility crisis, and the new policy emphases which it produced, increasingly impinged on official discussions on taxation after the summer of 1947: the emphasis henceforth would be on maximising colonial productivity in the interests of wider Sterling Area recovery. A powerful counter-argument to a new tax was the current accent on maximising production, ‘if necessary by stressing the profit motive’, which suggested that nothing should be done which might be seen as discriminating against copper producers.137
While considerable sympathy for Northern Rhodesia’s needs was evident in Colonial Office discussions on tax initiatives, the more orthodox official view, represented by Caine, did not share this enthusiasm for additional tax measures, and questioned whether Northern Rhodesia had any strong moral claim to higher revenue, given that the British and Northern Rhodesian governments were between them already receiving nine shillings in the pound on all profits the mining companies made (with the British Exchequer gaining revenue from distributed dividends). In view of the ‘chancy’ nature of mining, Caine thought it wrong to look ‘with such extremely envious eyes’ on any additional profits the industry made. Moreover, from a purely practical point of view, the current priority was to concentrate on encouraging maximum production from the Copperbelt. However, Caine’s misgivings appear to have been overruled: the advice the Colonial Office gave to Lusaka was to consider a levy on the mining companies at the point of production, based on a sliding scale corresponding to the price level. The Northern Rhodesian government replied that it thought it wrong in principle to tax the proceeds of a product, instead of the profits from that product, and preferred that any increase in revenue should come from higher income tax. The Legislative Council, it was argued, would probably agree to the copper industry paying this, but not that the same increase should apply to local companies or individuals. Because the Colonial Office had made it clear during the 1946 talks that it could not accept discrimination on tax between companies registered in London and those domiciled locally, Lusaka had not considered such a tax increase, or the introduction of an export tax. While Northern Rhodesia needed extra revenue, its government was not convinced that the situation justified breaching the basic principle of taxing profits, not proceeds. This position evoked misgivings within the Colonial Office. As one official commented, an export tax was a ‘perfectly’ legitimate means by which the government could share in the profits the mining industry was enjoying ‘without any effort on its part’. The industry’s good fortunes arose purely from the world scarcity of copper, a situation which seemed likely to persist for some years once the United States started to stockpile copper. Although there was no precedent for imposing a differential income tax on a colonial industry, an export tax could be used towards purchasing the BSAC’s mineral rights, an issue then being discussed. An alternative view canvassed in the Colonial Office, designed to circumvent possible objections to an export duty, was an income tax excess profits duty, whose attraction was that it could
become a permanent taxation device, applicable to all sectors, not only mining.\textsuperscript{142}

Lusaka’s proposals for price stabilisation did not, on balance, generate much enthusiasm in London. Caine, a veteran of similar pre-war schemes, was ‘very dubious’ about the idea, which seemed to him to be no different from other ill-fated schemes designed to maintain commodity prices. He was sceptical that any scheme run by a particular group of producers would not fail and incur ‘enormous’ financial loss. He questioned the notion of continuing to produce copper in excess of the demand for it, and employing labour to this end, when it would be better to divert that labour to other, more productive purposes. Although Caine opposed these proposals, he strongly favoured anything which would allow the companies themselves to develop financial reserves which would be available during downturns. By the same token, if government extracted most of the profits which companies made in buoyant times, it would then be obliged to help the companies when they faced lean years.\textsuperscript{143} The Northern Rhodesian government presented revised proposals on stabilisation to ACID in August 1947. The central proposition was that when the price of copper fell to £55 per ton, exports would be suspended and the Copperbelt’s output bought using a fund created for that purpose. This fund would be accumulated from a levy on copper which would rise according to the rise in copper prices over £60 per ton. The scheme’s overall purpose was to establish a minimum copper output in Northern Rhodesia of 200,000 per annum. These proposals were discussed in the Colonial Office in November 1947 and quickly attracted criticism. Although commending the plan’s underlying aim, officials felt that experience of such schemes suggested that governments were left carrying large stocks of commodities at great cost.\textsuperscript{144} When Lusaka’s Financial Secretary met Colonial Office officials in January 1948, it was agreed that the stabilisation scheme was impracticable. The Colonial Office’s caution over this issue demonstrated officials’ tendency to see it primarily as a matter for the producers themselves to resolve. Such mechanisms also had potentially difficult international dimensions. Not only would a stabilisation scheme, imposed unilaterally, be prone to international criticism (and so require careful prior discussions, especially with the United States), the involvement of the Northern Rhodesian government would be a violation of ‘the spirit, if not the letter’ of the International Trade Charter, which provided for the arrangements to be employed in the case of commodities in over-supply.\textsuperscript{145}
Early in 1951, Rennie had discussed with his Executive Council the possibility of introducing an export duty on Northern Rhodesia’s minerals. The general conclusion reached was that the time was inopportune: because of the current emphasis on development, it was judged essential to avoid any action which might deter investors, although it was agreed to keep the matter under review.\footnote{146} Nevertheless, within the Colonial Office it was felt that there were strong arguments in favour of an export duty on copper. There appeared to be ‘clear evidence’ that the RST group was seeking to extract as much copper as possible while prices were high, as demonstrated by the proposals to develop new mines at Chibuluma and Baluba, both of which were likely to be exhausted before the expiry of the mineral rights agreement in 1986.\footnote{147}

By autumn 1951, the Ministry of Materials had become concerned about the tax burden on mining companies operating overseas, seeing this as a deterrent to fresh development.\footnote{148} On the one hand, as Lusaka had pointed out, restrictions on the companies’ profits might discourage capital investment in the colonies; on the other hand, at a time when profits were ‘abnormally’ high, through no effort of the mining companies themselves, there seemed to be a case in equity for government gaining a larger share than usual of the resulting profits. Within the Colonial Office, the possibility of an export duty, arguably the simplest method of achieving this, was canvassed again. Such a duty would increase Lusaka’s revenue from the copper companies, who would pass this additional cost on to their customers, including the Ministry of Materials, with the result that the price of copper would rise. Unfortunately, this would not only prejudice the British government’s on-going efforts to stabilise prices, but also antagonise the United States, which was equally as keen as Britain to restrict price increases for non-ferrous metals.\footnote{149}

In its discussions on a possible export tax, the Colonial Office assumed that demand for copper would inevitably increase, provided a policy of full employment was maintained in Britain, the United States and other major industrial countries. Given the current shortage of supplies, and as the reserves of existing mines dwindled, it was perhaps understandable that the Colonial Office should have thought copper would be scarce, and attract a high price, ‘almost indefinitely’. The resulting pressure to develop the Copperbelt’s resources made it necessary to ensure that Northern Rhodesia’s finances derived the greatest possible benefit. The Office’s hope was that the territory’s economy and financial situation would be on a secure basis by the time the
significance of copper mining started to decline. More immediately, officials were uncomfortable that such a large proportion of Northern Rhodesia’s national income was exported in the form of remitted profits, a problem which had attracted criticism at the United Nations. Considering the two means by which the Northern Rhodesian government could expand its revenue, namely an export duty or increased income tax, the Colonial Office was conscious that the mining companies still based in Britain paid a very much smaller share of their profits in company tax than those which had switched their domicile to Northern Rhodesia. Therefore an increase in income tax would add to the burden on the latter, while the former could offset it against their liability to United Kingdom tax. For this reason, the Office saw benefits in income tax, which would help bring about a degree of parity in the tax burdens of the two classes of company. However, concern not to deter investment in other industries made it desirable, from the Northern Rhodesian government’s point of view, to increase the general rate of company tax. This could possibly be avoided using a graduated company tax, bearing more heavily on higher profits, or by introducing a form of EPT. The Colonial Office disapproved of flat rate export duties, because they added to the costs of production, and hindered the exploitation of marginal deposits. Yet a further possibility was for a graduated income or profits tax to be combined with a ‘moderate’ export duty.150

The mineral royalties issue

While London had been clarifying its ideas on mining policy, and dealing with some of the consequences of its policy initiatives, the royalties issue had continued to play a prominent part in Northern Rhodesian political life. In December 1945, during a Legislative Council debate, Welensky not only questioned the legality of the BSAC’s rights, but called for the purchase of the rights (though he would clearly have preferred expropriation). He suggested either that the purchase price should be based on the previous 20 years’ profits, or that the Company should retain the rights until 1950 and then surrender them to the state. Reasoning that it had profited from taxation on the royalties, he argued that the British government should finance the purchase. Welensky’s motion was carried, with all but one of the unofficials voting in favour.151 Early in 1946, it seemed clear to the Colonial Office that the question could not be ignored, given the strength of feeling it aroused in the territory; yet if it were decided to buy the rights at a
commercial price (estimated to be around £2,250,000), it appeared unlikely that the Legislative Council would willingly contribute to the cost.\textsuperscript{152} Creech Jones, however, considered the rights issue to be of ‘vital importance’ to the political and economic development of Northern Rhodesia. Sir George Gater, Permanent Secretary in the Colonial Office, agreed that the rights should be purchased, but identified the key problem as being how this was to be done.\textsuperscript{153} Although Caine was sceptical that many in Northern Rhodesia would benefit from the purchase of the rights, Cohen staunchly defended the proposal, arguing that the supporters of the idea in the territory (the leaders of the unofficials), had a record of promoting the development of the whole territory, including services for Africans, and did not seem anxious to cut taxation. To Cohen, it was quite simply ‘inconceivable’ that the bargain struck in 1923 would have been made had the British government been aware of the impending growth of the Copperbelt: an unsatisfactory situation had now ‘got to be put right’.\textsuperscript{154}

When the Colonial Office approached the Treasury once again, explaining that pressure in Northern Rhodesia over the issue was increasing, it found that the Treasury position remained firm: officials could conceive no way in which Exchequer help could be given to enable Lusaka to purchase the BSAC’s rights. A fundamental issue was that the Treasury could not accept the proposition that the British government was liable to make amends for a financial deal it had conducted in the past, ‘which an interested party, wise after the event, claims to have been misconducted or, at any rate, not conducted to the best advantage’. The Treasury also felt that the Northern Rhodesian government, enjoying good credit, did not need outside assistance to conduct a transaction which promised to be profitable. The Colonial Secretary reluctantly accepted the Treasury’s verdict that to underwrite a loan taken out by Lusaka for this purpose would be unjustified.\textsuperscript{155} Much as Stanley had done when seeking extended funding for colonial development in 1944, Cohen concluded that the case for metropolitan help in buying the mineral rights was ‘entirely political’, revolving around whether Britain should help rescue Northern Rhodesia from a situation in which it had been placed by earlier British action. The Treasury, however, refuted this, and seemed unmoveable. If, as seemed probable, the Northern Rhodesian unofficials refused to proceed with the purchase without British help, and the purchase therefore failed to transpire, the ‘highly desirable’ objective of government ownership would be frustrated, the Lusaka authorities would be deprived of potentially lucrative property, and a legacy of grievance against the
British government would be created in Northern Rhodesia.\textsuperscript{156} A further argument in favour of acquiring the rights, in addition to bringing Northern Rhodesia into line with government policy and the advantages from a financial point of view, was that a satisfactory mining law could not be enacted, nor satisfactory control of mining development be established, while the mineral rights remained in private hands.\textsuperscript{157}

By May 1946, George Hall had decided that it would be pointless to press the Treasury further. Discussions with his officials produced the suggestion that the best course would be compulsory acquisition of the mineral rights by the Northern Rhodesian government, at a price to be settled with or without arbitration. Hall, who felt that the BSAC had been treated ‘much too generously’, believed that the compensation to be paid should not be on the same scale as that involved in nationalising the British coal industry.\textsuperscript{158} To the Treasury, suggestions of compulsory acquisition of Chartered’s rights threatened to create a dangerous precedent. It might, for example, encourage the Argentine government to acquire British-owned railways in the country, and it would then be ‘awkward’ if Colonel Peron could cite previous British practice, with the Northern Rhodesian government deciding the price it would pay the BSAC.\textsuperscript{159} For the BSAC, Sir Dougal Malcolm criticised the recent ‘agitation’ over the mineral rights issue, commenting (inaccurately) on the significance of its timing, at a point when the Company’s shareholders were at last gaining some reward ‘for their long years of faithful and patient expectation’. This would remain the basis of the Company’s position, repeated in essentials, early in 1949.\textsuperscript{160} The BOMA, of which the BSAC was a member, lobbied on the Company’s behalf, arguing that any forcible acquisition of the latter’s mineral rights would be ‘a clear breach of faith’.\textsuperscript{161}

While the Colonial Office thought that compulsory purchase should not be on generous, but equally not on confiscatory terms, Lusaka began to fear that an arbitrary purchase price, fixed by legislation, might be difficult to justify, and might deter investors in Northern Rhodesia, hindering the territory’s economic development. The Colonial Office and the Northern Rhodesian government felt that the price ought to be settled by an independent arbitrator. Although the Office considered the alternative of imposing a special tax on royalties, this was rejected because it would not secure control of the mineral rights for the state (one of the main objects of the operation). Also, because the BSAC owned all Northern Rhodesia’s mineral rights, a royalty tax would in effect constitute a special tax on the Company, and so be
open to a legal challenge. One concern was that arbitration of the purchase price at that stage might involve the territory being saddled with a heavy financial burden, since an arbitrator seemed bound to take into account the high output of copper in recent years. For this reason, there was a case for delaying further action pending a decline in production. In discussions during summer 1946, the Treasury indicated that it had no objections to the compulsory purchase scheme, whose terms seemed reasonable and in keeping with the domestic nationalisation programme. The FCB, however, was dissatisfied with progress on the rights issue since the war, endorsing the view that the British Exchequer should finance the repossession of the rights, since it had been London’s ‘negligence’ which had allowed the rights to fall into private hands. In view of Britain’s own current financial difficulties, however, Creech Jones considered this impracticable.

A subsidiary problem raised by the purchase scheme was that, if it were to proceed, and the compensation paid to the BSAC were free of Northern Rhodesian income tax, then the Lusaka authorities would lose out, since they currently levied tax on the Company’s royalty receipts. By early 1947, it appeared that the only outstanding issue was to find a form of compensation which would give the most favourable terms to both the BSAC and the Northern Rhodesian government. Reflecting on the rights issue generally, Governor Waddington cannot have been alone when he later confessed to an increasing bewilderment as he studied the question of the mineral rights, and to being baffled by complex financial matters. The growing significance attached to such questions posed a real problem for administrators schooled in a less technically demanding style of colonial rule. Early in 1948, it seemed that some clarification might have been achieved. The authorities in Lusaka had asked whether the capital element in any purchase price would be liable to tax in Northern Rhodesia as well as in Britain. The Board of Inland Revenue had confirmed that under double taxation relief arrangements, the Board would allow due credit in respect of the Northern Rhodesian tax payable by the BSAC on the sale price, thereby simplifying the financial aspect considerably. The issue remaining was whether Lusaka could safely assume the liability involved in purchasing the mineral rights, that is, whether it would be beneficial to proceed at that time, a question increasingly seen as being a political one. Meanwhile, the Colonial Office considered that an expert geological assessment of Northern Rhodesia’s mineral resources would be useful, providing an indication of the probable commitment
involved, and so helping to determine if purchasing the rights would be worthwhile.169

Early in 1948, the Colonial Office concluded that the simplest means of financing the mineral rights purchase would be to raise a loan in London, for the whole amount necessary, and to pay off the BSAC outright. Although this had been suggested to Lusaka, it was because there was no imminent prospect of an approach to the London market that the Colonial Office had suggested a geological survey.170 The proposal for a loan, however, conflicted with current Treasury policy, which (as the Colonial Office must have been aware) was to limit approaches to the London market to the ‘absolute minimum’ compatible with Britain’s imperial obligations. From the Treasury’s point of view, Northern Rhodesia’s needs came ‘a long way down the priority list’.171 Once again, it seemed, a Colonial Office initiative would be thwarted by the Treasury’s overriding concerns.

The mineral royalties agreement, 1949

The political significance of the mineral rights issue was emphasised in January 1948, when Welensky threatened to propose a vote of no confidence in the Northern Rhodesian government unless it took steps to resolve the rights question. Sir Gilbert Rennie, the newly-appointed governor, had asked what useful purpose would be served by the government purchasing the rights at that stage. He pointed out not only that the transaction would be highly speculative, but also that the price would be high, involving the government in a very substantial debt burden, at a time when all the territory’s resources were needed for development purposes. While not contradicting any of these points, Welensky again questioned the validity of the BSAC’s ownership, adding that as the British government was responsible for the 1923 agreement, it should now ensure that justice was done to Northern Rhodesia by itself buying the rights and transferring them to the Northern Rhodesian government.172 By this stage, estimates of a fair purchase price were in the region of £20 million.173

In March 1948, Welensky introduced a motion that the Colonial Secretary should be asked to reconsider the Colonial Office’s pre-war endorsement of the BSAC’s rights, or to take whatever steps were necessary to have the rights transferred to the people of Northern Rhodesia. The Government spokesman in the Legislative Council explained that the first request was impossible, but that the second would be taken up. In July, the Governor’s deputy approached Creech
Jones, asking that the possibility of help from the British government be reconsidered, since Northern Rhodesia could not acquire the rights from its own resources.\textsuperscript{174} However, the prospects of getting a ministerial decision on the possibility of reconsidering the Coalition government’s refusal to provide financial help seemed unpromising given Britain’s own circumstances. It appeared unlikely that ministers would reverse the earlier decision without a thorough re-examination of the question by the Law Officers. At this stage, the Colonial Office was aware that if it were decided that the BSAC’s position was unassailable, and that the British Exchequer could not finance the purchase of the rights, then the onus of financing the transaction would fall on Northern Rhodesia. Bearing in mind the current high price of copper, this would clearly be difficult for Lusaka, because if copper prices fell in years to come, the government might incur a heavy financial loss.\textsuperscript{175}

To the Colonial Office, it seemed that the timing for such a purchase was inopportune. When royalty receipts might fluctuate considerably, and when Northern Rhodesia’s resources were already heavily committed to the development plan, there were serious doubts about whether Lusaka should take on a fixed annual charge. Nor would it be easy to justify additional help from the British Exchequer, particularly since Northern Rhodesia’s position was much better than that of many other colonial territories.\textsuperscript{176}

Against this background, Cohen saw a strong case for considering a special tax on royalty receipts, in preference to an export tax, which would not affect the BSAC’s royalty receipts. When a similar suggestion had been discussed in 1946, the Colonial Office had concluded that such a measure would contravene the spirit of the 1923 Agreement. However, now that Welensky had publicly stated his intention of proposing a 50 per cent tax on royalties, there seemed good reason to obtain the Law Officers’ advice.\textsuperscript{177} Nevertheless, there were grounds for extreme caution, and for efforts to seek a genuinely equitable solution. Given that Northern Rhodesia’s future mining development would depend so heavily on private enterprise, it was important that a royalty tax should not be seen as ‘simple confiscation’: not only might it deter investment in other colonial territories, but it might also create an unwelcome precedent for British companies operating in foreign countries. A further question debated within the Colonial Office was whether the BSAC might be willing to discuss limiting its mineral rights, making an amicable settlement while this was still possible. Under self-government, for instance, or given an unofficial majority, the Northern Rhodesian administration might, bowing to public hostility towards
the BSAC, take much more drastic measures than those currently being proposed by the unofficial members, a point which it was thought worth emphasising in discussions with the BSAC. Cohen, however, remained convinced that the rise in copper prices since 1946 made purchase of the mineral rights, either by the British or Northern Rhodesian governments, ‘quite impossible’ at that time. While this meant that an ‘indefensible situation’ would persist, with over £2 million per annum passing to the BSAC, Cohen doubted that the Colonial Office’s position vis-à-vis the Company was strong, and advocated different tactics, beginning with a fresh referral to the Law Officers.

At the end of July 1948, Colonial Office officials met a delegation from Northern Rhodesia. In Cohen’s words, it was impossible not to have ‘great sympathy’ with their point of view. Official confidence in the Law Officers’ opinion of 1938 was weakening, and there was embarrassment that this opinion had been made public knowledge. Northern Rhodesia, it was felt, would ‘one day’ become self-governing, and the mineral rights would then be challenged, regardless of what the British government had done. The Colonial Office, it seemed, could no longer ignore the officially expressed opinion of the unofficial members of Northern Rhodesia’s Legislative Council, or the resolution the Council had recently passed. When they met Creech Jones in August 1948, the Northern Rhodesian unofficials remained aggrieved at the lack of progress on the rights issue since 1946, noting that the BSAC’s royalty receipts had increased substantially over the previous year. As Welensky told Colonial Office officials, it was possible under existing circumstances for a situation to arise where the Company would continue to receive royalties, even though the mining industry itself was operating at a loss. The government would then receive nothing, although it would still have to provide essential services. Creech Jones, while sympathetic to the aim of transferring the mineral rights to public ownership, stressed the difficulty of deciding how best this could be achieved. Agreeing that the Northern Rhodesian government could not finance the proposed transaction, Welensky warned that he was considering the possibility of proposing a royalties tax, as an alternative to public ownership of the rights.

The Treasury was apprehensive when it learned that the Colonial Office planned to refer the mineral rights question to the Law Officers. In 1938, officials reasoned, the Law Officers had advised that the British government could not challenge the BSAC’s title, but they had not been asked, and had ventured no opinion on, whether anybody could challenge that title. In this sense, the despatch of 31 December
1938, informing the Governor of the Law Officers’ advice, was ‘not quite accurate’, because it had stated that the Colonial Secretary had concluded that the Company’s rights were valid and could not be challenged. Rennie, who in November 1948 intended to ask the newly-expanded Executive Council for its views on a possible export tax, subsequently informed London of Welensky’s recent announcement in the Legislative Council that he planned to propose a tax on royalties paid to the BSAC. Welensky had initially seemed willing to await the decision of the Law Officers before taking further action, but had apparently changed his mind after discussions with his unofficial colleagues. In the event, the Law Officers, Hartley Shawcross and Frank Soskice, found that there was no reason to differ from the view expressed in 1938, especially since the latter was public knowledge. Revealingly, one official noted that the Colonial Office had been obliged to make its own feelings on the subject public, for fear of inviting accusations of breaching good faith with the BSAC: ‘In fact the recent resort to legal advice was as much an attempt to save face as to save money’.

By early 1949, the prime consideration was political. Feeling that the Colonial Office had suffered a ‘tactical defeat’ at the hands of Welensky, the Under-Secretary of State, Rees-Williams called for action on the rights issue. He had already suggested, in the case of the UAC in Nigeria, that the colony’s mineral rights should be expropriated ‘with mild compensation’. To apply the same formula to Northern Rhodesia would, he argued, be ‘a wonderful sign to the colonial people that the Labour Government really means business’. It remained unlikely that the Northern Rhodesian unofficials would vote any substantial sum of money to buy the rights, unless London were to make a significant contribution. In these circumstances, one means of driving down the purchase price might be to impose a royalties tax (which, if proposed by the Legislative Council, could not reasonably be obstructed by London). It was possible that the BSAC might respond be completely altering the royalty system, and opting to increase its shareholding in the mining companies: if this happened, introducing an export tax might be an appropriate counter-measure. There remained, however, sympathy within the Colonial Office for the idea that the British government should acquire the rights and transfer them to the Northern Rhodesian government, in return for a share of the royalties over a period of years. This, it was felt, would both remove a longstanding grievance against London in Northern Rhodesia, and avoid any possible complications arising from the proposed royalty tax.
Legislative Council for a royalty tax likely to be tabled in the middle of March 1949, Creech Jones consulted the Chancellor, Sir Stafford Cripps. Creech Jones explained his sympathy with the unofficials, and noted that the Law Officers, while stating that the government would not be justified in appointing a commission which might challenge the BSAC’s title, had also found nothing in the 1923 Agreement prohibiting a royalties tax, provided that this was a fiscal measure and not a confiscatory one. Moreover, Creech Jones argued, if the unofficials’ aim was obstructed, there might be a ‘first-class political row’ in Northern Rhodesia: although agitation over the issue had so far come from the Europeans, it was ‘almost certain’ that the African population would join in before long, particularly since they were now represented in the Legislative Council. He therefore asked Cripps to consider finding the money to buy out the BSAC, this money to be repaid over time by the Northern Rhodesian government. This would rectify a situation contrary to the policy already expressed in the Memorandum on Colonial Mining Policy. The timing of Creech Jones’s initiative is highly significant: in February 1949, settler leaders had held a conference at Victoria Falls at which, in semi-secrecy, they produced plans for a settler-dominated Central African Federation. Welensky had also warned the Colonial Office that he was prepared to do everything possible to disrupt government in Northern Rhodesia if London obstructed federation. In these circumstances, some concession by the Colonial Office over the rights issue would clearly be politically helpful.

The Treasury opposed any punitive measure against the BSAC, designed to secure for Lusaka part of Chartered’s royalty revenue, and to reduce the purchase price of the mineral rights. However, provided that the 50 per cent tax being proposed was a necessary fiscal measure, the Treasury would have no objections. It was therefore necessary to demonstrate, as Welensky insisted, that the tax was required to meet the territory’s revenue needs, or to provide a reserve, for example for development purposes, arguments the BSAC would inevitably dispute. The Company had already responded to Welensky’s motion by producing a detailed memorandum, described by Cohen as a ‘furious counterblast’ containing nothing new. For his part, Rennie had no doubt that a royalty tax would be ‘equitable and justifiable’, given Northern Rhodesia’s financial position, although he considered that a rate of 25 per cent would be more reasonable than the 50 per cent proposed by Welensky.

An important breakthrough came in May 1949, when Sir Dougal Malcolm met representatives of the Colonial Office and the Northern
Rhodesian unofficials at Bulawayo. The unofficials, led by Welensky, promised to drop their plan for a royalties tax if the BSAC agreed to negotiations, the basis for which would be that the Company would continue drawing royalties for a fixed period, after which its mineral rights would pass to the Northern Rhodesian government. Meanwhile, the Company would undertake to re-invest in Northern Rhodesia a proportion of its royalty revenue. Malcolm, responding that the Company was ‘entirely satisfied’ with arrangements as they stood, refused to accept these proposals unless the British government promised not to alter any matters subject to the agreement without the Company’s consent. He also insisted that the British government should bind any future Northern Rhodesian government by treaty not to adjust the agreement without the consent of the British government and the Company.194 These proposals were welcomed in the Colonial Office and by the Northern Rhodesian government, which, echoing the BSAC’s counter-argument, was concerned that a royalties tax might have the effect of ‘frightening’ capital away from the territory.195 Creech Jones was happy for the informal exchanges at Bulawayo to be continued more formally in London.196 Two key issues were raised by these proposals. First was the length of time during which the BSAC would continue to enjoy its royalties. A 50-year period, suggested during discussions, was considered excessive by the Colonial Office and Lusaka. Secondly, there was the suggestion that London should guarantee the proposed arrangements (a question which would resurface on the eve of Zambia’s independence). When discussions resumed in London in July 1949, chaired by Andrew Cohen, Malcolm opened by insisting that the BSAC admitted no question as to the validity of its rights, while Welensky refused to begin discussions if he were forced to accept that validity. When Malcolm declared that a 50-year retention period was ‘essential’, Rennie countered that this was ‘out of the question’, because it would be unacceptable to the Legislative Council and the majority of territory’s population. Welensky’s contribution was to warn that if negotiations broke down, he would proceed with a royalties tax.197

At the second meeting in London, Creech Jones carefully avoided discussion of the validity of the BSAC’s existing rights, being more concerned with the present political realities and the prospect of deepening public resentment about the 1923 Agreement. He argued that no government would ‘dare’ accept the continuation of the present situation for another 50 years. Crucially, he confirmed that if a motion to tax the royalties were introduced, it would be supported by the
Governor and the British government, while Welensky pointedly made clear his preference for a royalties tax. Discussions continued until, on 30 July, faced with the prospect of a royalties tax, the BSAC at last relented. Malcolm offered to accept continued royalty payments for 37 years (from 1 October 1949), in return for which the Company would assign 20 per cent of its royalty revenues to the Northern Rhodesian government. In return for accepting the surrender of its rights in 1986, the BSAC would receive an undertaking that no special tax on royalties would be introduced. This meant that, after tax, Lusaka would receive half the value of the royalties each year. The British government also undertook to secure that any government which became responsible for the administration of Northern Rhodesia during this period would be bound by the new agreement. Both the Colonial Office and the Northern Rhodesian representatives felt that the outcome was ‘very satisfactory’, while the Treasury was relieved that it would not, after all, be called on to finance the purchase of the mineral rights by the Northern Rhodesian government. The agreement was approved unanimously by the Northern Rhodesian Legislative Council on 14 September 1949. Both the Colonial Office and the Northern Rhodesian government believed that the agreement was a ‘very good way out’ of a ‘most unsatisfactory situation’. For the BSAC, however, as Slinn notes, the future seemed less certain, and Malcolm and his colleagues would struggle to justify the Company’s apparently parasitical role in southern African business. This situation could only intensify as the value of royalty income increased. Moreover, the entire episode underscored the BSAC’s remarkable reluctance to address the changing political realities of the region, and to make the kind of adjustments to its practices which other, more forward-looking colonial firms, were willing to embrace.

The agreement did not directly affect the mining companies, who simply continued to make their royalty payments. Although they claimed publicly not to object to royalties as such, they did resent the way in which these were calculated, on the basis of market prices rather than on company profits. By failing to distinguish between high- and low-cost producers, this formula could disadvantage high-cost, low-grade workings, a problem which worsened as output increased. Prain was only one major figure in the industry to complain that this fixed charge, by adding to the costs of production, not only deterred expansion, but discouraged the working of low-grade ores. The royalty regime was arguably of less concern to RAA: being a significant shareholder in the BSAC, it could count on the return of part of its royalty
payment. Significantly, it was believed within the Colonial Office that British mining companies (which, in this case, would include Anglo American) broadly accepted royalties in principle, whereas American companies regarded them as an ‘unreasonable’ tax, an issue of potential importance given that greater weight was being attached to attracting US capital in colonial mining development. Yet, in its response to the *Memorandum on Colonial Mining Policy*, the BOMA had described royalties as an ‘inequitable’ form of taxation, citing the report of the Commission of Enquiry into the Mining Industry of Southern Rhodesia, which had dealt with the negative consequences of royalties. Moreover, in a brief prepared for Lyttleton, Colonial Office officials conceded the problematic nature of royalties for British mining companies: they were not a form of taxation, and so could not be set off against British company tax for double taxation relief purposes. British-controlled mining companies operating in the colonies therefore paid the full rate of British income tax plus royalties, regarded as a serious obstacle to their involvement in mining development, aggravated by the fact that their American and Canadian competitors enjoyed the advantage of considerably more generous depreciation allowances.

The nationalisation debate resumed

By 1951, the copper industry was by far the largest employer and taxpayer in Northern Rhodesia. It would be reasonable to argue that this situation increased the colonial state’s dependence on the industry, giving the mining companies enhanced leverage over the Northern Rhodesian government. Yet continuing post-war discussions on taxation, royalties and even possible nationalisation, arguably placed the mining industry in a potentially vulnerable position in defending its basic interests. The responses by the copper companies to evolving government policies suggest a far from complacent attitude within the industry. For example, when, soon after devaluation in 1949, the Ministry of Supply proposed to cut the price it paid under bulk-purchasing contracts, one reaction among Copperbelt producers was to favour acceptance of the proposal, as a means of putting the mining companies in a stronger tactical position in relation to the government, and of ensuring them the state’s goodwill. While devaluation would subsequently be seen as the industry’s salvation, especially for high-cost producers, the post-war reality was that priorities dictated by the metropolitan government, especially on production, restricted the firms’ freedom to decide the business strategies most appropriate for
them: while London remained dependent on sterling copper, this situ-
ation seemed likely to persist.210

Much as Prain had predicted in 1946, the question of the state oper-
ation of colonial mining was reopened soon after the February 1950
general election by the new Minister of State at the Colonial Office,
John Dugdale. Dugdale raised not only the subject of the state’s role in
new mining development, but also the nationalisation of existing
mining concerns.211 The fundamental problem with the latter proposi-
tion was raised early in subsequent discussions: colonial governments
simply could not afford to compensate expropriated companies, and so
nationalisation would have to be financed by Britain. Not only would
this be a further burden on already stretched metropolitan resources,
but it would compete with the Colonial Office’s hopes to secure addi-
tional Colonial Development and Welfare funding. With available
funds strictly limited, the effect of transferring existing undertakings
from private to public ownership would simply be to reduce the total
sum available for development purposes.212 Moreover, the Colonial
Office was under pressure from other government departments, and
from Washington, to create conditions in the colonies attractive to
dollar investment, and any suggestion that nationalisation was a poss-
ibility seemed likely to arouse concern among potential investors.
Experience since 1946 suggested that any recommendations by the
Colonial Office in favour of nationalisation might bring colonial
mining development to a halt.213 Another issue, of particular relevance
to Northern Rhodesia, was raised by Andrew Cohen, now head of
the Office’s Africa Division. As things stood, the Northern Rhodesian
government was able to exercise a ‘stabilising influence’ on the
Copperbelt’s troubled pattern of industrial relations: were the mines to
be nationalised, the government would become directly embroiled in
the impending confrontation over ‘African advancement’, which could
have embarrassing political consequences.214 An even more germane
counter-argument to nationalisation was that the colonial govern-
ments were already fully stretched by the development initiative, with
an emphasis on agriculture and public services: they were in no posi-
tion to assume responsibility for mining as well.215 While national-
isation might be popular with European miners in Central Africa
(for whom it had been a longstanding, if intermittent, goal), in a
region such as West Africa, where recent constitutional advances had
involved African ministers and Legislative Councils directly in policy-
making, state ownership would risk over-burdening governments with
additional responsibilities.216
Senior officials in the Colonial Office were wary of the entire proposition, stressing the highly speculative nature of mining and their preference for mechanisms allowing colonial governments to exact their due share of the proceeds of operations. The sliding-scale system of royalties, based on profits, was thought to make this achievable. Recommended in the *Memorandum on Colonial Mining Policy*, it was this issue which had generated more correspondence from colonial governments than anything else. Nevertheless, ministers seemed wedded to the idea of public operation and sought the reactions of selected colonial governors. As the Permanent Under-Secretary at the Colonial Office, Sir Thomas Lloyd, commented, nationalisation was ‘politically one of the most difficult questions’ which London had ever raised with the colonial governors. The Colonial Secretary’s letter to nine governors, including Rennie in Northern Rhodesia, asked their views on the nationalisation of mining enterprises in their territories, and on the development of future undertakings under public auspices, possibly through an agency such as the CDC. Most governors responded that nationalisation would not benefit their territories: the consensus was that colonial governments lacked the financial resources to take such a step. In the case of the Copperbelt, whose capital value officials estimated to be at least £300 million, the proposition seemed particularly unappealing. A common concern was that nationalisation would discourage the private investment on which the colonial territories were largely dependent for future economic development. On the other hand, the majority of governors were prepared to consider the public ownership of future mining developments, especially where these were based on mineral deposits discovered by a government Geological Service. Significantly, there was little enthusiasm among the colonial governors for involving the CDC in mining operations. The Corporation, it was feared, might be seen as simply another instrument of exploitation (colonial opinion not distinguishing between state and capitalist exploitation). Equally striking was the fact that, among the governors consulted, there was a unanimous view that nationalisation would not have much political appeal in their territories: rather, it might provoke ‘violent objections’.

It might be contended that most colonial governors were, by background, experience and temperament, unlikely to embrace the core tenets of state enterprise and public ownership being debated in the Colonial Office and elsewhere. Yet such ideas would sit comfortably with the spirit of ‘romantic anti-capitalism’, observable among officials in the inter-war years. One of the more vocal and
independently-minded colonial governors, Sir Philip Mitchell of Kenya, had previously offered some rare glimpses into the broad thinking of senior administrators on increasingly controversial issues. Describing himself as apolitical (as far as British politics went), though categorising his outlook as being ‘Right-Wing Socialist’, Mitchell described the colonial state as being ‘to a great extent Socialist’ in form, in that colonial natural resources and transport infrastructures were usually publicly-owned, and colonial governments normally provided a wide range of public services. For this reason, he thought that ‘A Colonial Civil Servant of the last thirty years has therefore lived in conditions in which a large part of the controversial proposals of the present Government in the United Kingdom have been his normal experience; and in particular, he is not at all likely to be alarmed by prospects of nationalization as such’.225

As Rennie explained in his response, the case of Northern Rhodesia was distinctive. He referred to the terms of the recent agreement with the BSAC under which the territory’s mineral rights would pass to the Crown in 1986. It was a ‘rigid’ condition of this agreement that the question of the ownership of mineral rights and the apportionment of royalties received by the BSAC should be regarded as settled. The question of public ownership of the mineral rights could not, therefore, be raised at present. However, the Northern Rhodesian government was not precluded from obtaining additional income tax on the BSAC’s share of royalties, provided that any increase in income tax applied generally, and was not aimed specifically at the Company. In Rennie’s view, the economic interests of the territory would ‘certainly’ be better served if all the profits from mining were retained in Northern Rhodesia, but that would be ‘quite impossible’ for many years in view of the debt charges which would be incurred in acquiring the industry at a time of very high prices. If, after nationalisation, the industry struck ‘lean times’, the territory would be saddled with debts likely to be ‘enormous’ compared with Northern Rhodesia’s annual revenue, constituting a ‘serious danger’ to the territory’s economy. Reflecting the Colonial Office’s own thinking, Rennie felt that to adopt public ownership of mining as a general policy with respect to future mining development ‘would tend to scare away the type of investment that many Colonies desire to attract’. Unlike Cohen, he thought that the local reaction to nationalisation would be ‘distinctly unfavourable’.226

Having assessed the reactions of colonial governments to Griffiths’ letter on public ownership, the Colonial Office concluded that it would be unwise to attempt to impose on the colonies a measure for which
there seemed to be no obvious demand. Moreover, against the back-
ground of the Korean War, and the shortage of non-ferrous metals
which this had produced, the immediate priority was to increase colo-
nial production of such materials, which in turn would require fresh
investment: any suspicion that nationalisation was imminent might
sever the flow of private capital to the colonial territories, and so
impede exploratory work. Nor could the question’s international
dimensions be ignored, particularly in a case like Northern Rhodesia,
where there was large-scale American investment in the mining indus-
try: nationalisation might mean that the British government, rather
than private mining companies, would be held responsible if the
industry encountered difficulties.227 Taking account of all these consid-
erations, it seemed to senior opinion within the Colonial Office that it
would be ‘more judicious’ to leave colonial mining in private hands,
subject to proper safeguards: discussions on the subject had indeed
been circular.228 Further discussions were interrupted by the Minister
of State’s tour of the colonies in the summer of 1951, and then by
preparations for the General Election of October 1951.

Whether there was any real prospect of nationalising the copper
industry is debatable. Certainly, there could be no meaningful compar-
ison between the Copperbelt’s performance throughout the 1940s, and
that of the British coal industry, where ideological arguments for public
ownership served as a convenient gloss for a case grounded in the
industry’s proven inefficencies in recent decades. Ministerial enthus-
iasm was the driving force behind prolonged official discussions.229 Yet
the practical counter-arguments were compelling: maximum produc-
tion, designed to save Britain precious dollars and to fuel the recovery
of metropolitan industries, required minimal state interference in the
Copperbelt’s day-to-day operations. Having briefly antagonised the
mining industry with its 1946 policy statement, the Colonial Office
came to understand the need for private enterprise’s full co-operation.
According to Cowen and Westcott, once the Treasury had decided to
re-open the LME after the war, hopes of nationalising colonial mining
evaporated.230 Not referred to directly in these discussions, but never-
theless looming constantly in the official mind, was the recent experi-
ence of unfortunate experiments in colonial public enterprise, in the
form of the Colonial Development Corporation and the East African
Groundnuts Scheme. Most importantly, perhaps, and reminiscent of
the curtailing of much wartime planning in the light of immediate
post-war financial pressures, was the simple truth that finances avail-
able for colonial development would have to be garnered carefully, and
would have to be supplemented substantially by injections of private capital. In this climate, the sheer cost of nationalising the copper industry seemed prohibitive, even to those wedded ideologically to public ownership. As the 1950s unfolded, renewed emphasis would be placed on creating conditions attractive to the investor, particularly by addressing the issue of taxation. A continuing metropolitan need to earn and save dollars would see Labour’s ‘brief flirtation with the colonial state as the chief agent of economic growth’ giving way to a renewed emphasis on the need for a partnership between public and private capital.231
It was during the 1950s that the Copperbelt finally attained the kind of prominence in international mining, and the stature among copper producers, which some commentators had long predicted it might one day achieve. In the seven years after 1953, copper production rose by over a half, and by 1956, when export earnings reached their peak, Northern Rhodesia ranked second only after the United States as a copper producer.\(^1\) Helping to create these ‘boom’ conditions was the continuing buoyancy of world demand, resulting in part from rising demand from the defence industries, and in particular the expanded Western rearmament programmes triggered by the Korean War after 1950, and government policies aimed to promote the stockpiling of essential strategic minerals.\(^2\) At least in the earlier part of this period, it was still expected by the imperial government that the colonies would continue to play a useful role in supporting the metropolitan economy. The post-war Labour government had embarked on an ambitious, if not always judicious, drive to expand colonial commodity production, with the twin, complementary aims of defending sterling’s world role and promoting domestic reconstruction. The return of the Conservatives in 1951 saw no weakening of London’s resolve to strengthen the prospects for British solvency by drawing upon the Empire-Commonwealth’s resources, especially of minerals. Only serving to reinforce this tendency, in the early 1950s, was the imminent exhaustion of Marshall Aid.\(^3\) In this climate, although Copperbelt production did not expand uniformly, and output had on occasion to be curtailed, the copper industry proceeded on the assumption that expansion would be both necessary and possible. Both mining groups, for example, were willing to invest in new mine development during this period. Another advantage the Copperbelt enjoyed was the ending
of the system of bulk-purchasing which had characterised the wartime and immediate post-war period. In April 1953 the London Metal Exchange reopened and free market conditions were restored. Although copper prices briefly dropped during 1953 and 1954, they rose once again to reach new record levels in 1955.\(^4\) Immediately before the ending of bulk-purchasing, there had been some apprehension about the consequences this might have for Britain’s copper supplies. In practice, this was not a problem, and no British consumer was obliged to cut back production because of shortages of copper. Moreover, from the early 1950s onwards, Britain was becoming steadily less dependent on Northern Rhodesian copper than it had been during the era of state trading. Metropolitan requirements were increasingly met from a diverse range of sources, a trend welcomed in Whitehall because it reduced Britain’s vulnerability to interrupted copper supplies, caused, for example, by strikes in the mining industry.\(^5\) Growing demand for copper also helped encourage a sustained programme of prospecting, using new, advanced methods. For instance, it was during the 1950s that new geochemical prospecting techniques became available, made possible by research in which both Copperbelt mining groups had participated.\(^6\) Significantly, the BSAC, in collaboration with Anglo American, was particularly active in promoting this campaign. Conscious of the constraints involved in the 1949 royalties agreement, Chartered was keen to exploit new mineral finds before its rights expired in 1986. Despite these efforts, however, the 1950s saw no major discoveries of copper in Northern Rhodesia.\(^7\)

In retrospect, and even to some keener-eyed contemporaries, the operating environment of the Copperbelt bore little resemblance to the situation which had applied before 1939: the low costs which the industry had enjoyed during the 1930s had evaporated and seemed unlikely to return, and the mining industry would increasingly be forced to explore cost-cutting strategies.\(^8\) As will be seen, perhaps the most important, if controversial, of these was the attempt to curb the wage bill. By 1954, something like half the world’s copper was being produced more cheaply than the output from Mufulira, itself a relatively low-cost operation by Copperbelt standards.\(^9\) Awareness of their transformation into comparatively high cost producers also accounts for the firms’ willingness to diversify their interests into the refining of copper: both groups developed capacity to produce electrolytic copper from blister copper. In 1954 it was decided to build a refinery at Roan Antelope (Ndola). Moreover, costs were expected to rise by another £5 per ton, largely because of increasing energy and
freight charges. The Ndola refinery opened in 1958. Booming conditions in the copper industry, and correspondingly high copper prices, revived pre-war fears that manufacturers would be drawn to use cheaper substitute materials, such as aluminium. As this became a growing problem during the 1950s, it encouraged the copper industry to promote the use of its product more energetically. A further important point is that because of the external ownership and control of Northern Rhodesia’s copper companies, neither pricing nor production policies were ultimately decided locally. The companies which had controlling interests on the Copperbelt also had important mining interests elsewhere. Equally, even among those companies with well-established local roots, the temptation to diversify outside central Africa could be strong. For instance in the late 1950s, the BSAC (which was not itself directly engaged in mining within the Federation) opted to invest £5.5 million in Australian aluminium production, thereby inviting criticism from the finance minister of the Northern Rhodesian government.

**Taxation**

With increasing frequency, the mining industry would complain that current methods and levels of taxation discouraged, and even deterred, investment in highly speculative mining projects. The AMC, for instance, felt that taxation had been a major obstacle to further investment in Northern Rhodesia since the war, and that rising levels of taxation since the late 1920s had kept the return on investments far below what might have been expected. During 1951, pressure was mounting within the mining industry for adjustments to the taxation system, so as to encourage new development on the Copperbelt. Ronald Prain stressed the problem of the high cost of capital equipment, which deterred the opening of lower grade ore bodies. The companies also feared the problems they would face if confronted by high taxation, while simultaneously providing for interest payments on short-term loans, and sought tax relief on new development. In February 1951, Prain submitted proposals to the Northern Rhodesian government under which capital expenditure ranking for redemption would be defined to include expenditure on the site of working, or on the site of any works and expenditure on the acquisition of, or rights over mineral deposits. The authorities in Lusaka opposed this suggestion. Prain’s second proposal was that any single renewal of equipment which did not exceed £5,000 (instead of the current £4,000 limit)
would be allowed as a direct reduction from profits. In January 1952, Prain, on behalf of the BOMA, wrote to the Chancellor, R.A. Butler, pointing out the tax difficulties confronting mining companies operating abroad. What the mining companies sought was the kind of tax relief available in other countries, allowing capital expenditure on new mines to be written off against profits during the early years of a new mine’s life. Subsequent discussions between the Ministry of Materials and Prain (again, representing the BOMA) revealed sympathy within the Ministry for the companies’ bid for tax concessions. Any increase in tax, the Ministry felt, would frustrate the expenditure needed to maintain current production, let alone to expand it. In the Ministry’s view, the companies had been very co-operative, not only increasing their output, but helping to keep prices at a ‘reasonable’ level, at a time when they could have demanded much more, to reflect the market price of copper. The fear persisted that increased taxation might lead the industry to fall back on its traditional practice of working lower grade ore, reserving better deposits for a time when higher profits could be made. Critically, in view of its continuing shortage of copper, Britain needed to maintain the companies’ co-operation. By this time, the Conservative Colonial Secretary, Oliver Lyttelton, was becoming concerned at growing criticism in Northern Rhodesia that British taxation policy was impeding the Copperbelt’s development. Soon after his appointment, Lyttelton was examining means of encouraging private investment in the colonies. Although he dismissed much of Creech Jones’s *Memorandum on Colonial Mining Policy* as ‘the sorriest nonsense’, Lyttelton was keen, in the aftermath of shocks such as the expropriation of Anglo-Iranian Oil, to encourage the maximum possible identification by companies with the territories in which they operated, and local ownership of them. While this might in many situations be a long-term ambition, Lyttelton saw mining as a sphere in which governments might participate through selective shareholdings, creating the kind of ‘community of interest’ between business and the state which he thought desirable, and counteracting the tendency for governments to view entrepreneurs simply as sources of revenue. While sympathising with the broad thrust of Lyttelton’s ideas, Governor Rennie explained that it was not possible, under the terms of the 1949 mineral rights agreement, for the Northern Rhodesian government to compound the territory’s mining royalties for a share in the equity of local mining companies, in lieu of royalties.

Meanwhile, the considerable contribution the mining companies were making to the territory’s revenues (some £5 million in 1949
alone) strengthened their case for more relaxed treatment. In 1952, when mining tax constituted over 57 per cent of Northern Rhodesia’s total revenue (compared with around 28 per cent five years previously), Lusaka introduced a new ‘liberal’ tax code on the promise that this would stimulate fresh development. The new tax regime, in whose drafting RST was alleged to have been closely involved, was seen by contemporaries as an important stimulus to prospecting and new development. As Sir Ernest Oppenheimer explained to his shareholders in his annual report for 1951, the Rhokana Corporation’s new Bancroft mine, which opened in 1957, would benefit from the Northern Rhodesian government’s tax policies. Similarly, Prain attributed RST’s decision to develop Chibuluma, which came into operation in 1956, to the impact of this code, described as ‘greatly in advance’ of anything that existed at the time. Under the new arrangements, in the case of a new mine, all capital expenditure incurred up to the end of the fifth year of operations was allowed as a charge against profits spread over those five years. In contrast, under the previous taxation regime (which still applied to existing mines), capital expenditure was allowed against profits over the life of the mine, or over 20 years, whichever period was shorter.

**From amalgamation to Federation**

The issue of amalgamation between the Rhodesias, suspended during the war, acquired a fresh energy and apparent relevance in the later 1940s. Not only had the Rhodesias proved their economic viability, but post-war constitutional changes in Northern Rhodesia had given settler politicians an enhanced position. This was, arguably, strengthened not only by Britain’s continuing dependence on Northern Rhodesia, but also by Washington’s need for Copperbelt supplies to assist its strategic stockpiling programme. Most important, however, was the reassessment of Britain’s interests in central-southern Africa triggered by the Nationalist election victory in South Africa in 1948, and growing concern in London about South Africa’s expansionist ambitions. Specifically, it was feared that Pretoria might use its influence among the settlers of East and Central Africa to obstruct African political development, and perhaps even seek to erode settler loyalty to Britain. Fuelling these fears was the ‘alarming’ increase, encouraged by Pretoria, in Afrikaner migration to Northern Rhodesia in recent years, far surpassing the in-flow of British migrants, and seen as posing a ‘serious and imminent’ threat to the independence of the
Rhodesias. Aggravating the Copperbelt’s dependence on South African skilled labour was the fact that Britain, facing its own post-war labour shortage, could not realistically provide substitute manpower, nor (pending a resolution of the advancement issue) would African replacements become available in the foreseeable future. Although the amalgamationist cause was argued with increasing vigour by Welensky and Huggins, the fundamental obstacle, already emphasised by the Bledisloe Commission, remained the differences in policy towards African affairs found in Northern and Southern Rhodesia. Recognising that Britain would not abandon its responsibilities towards the African population, settler politicians set aside amalgamation in favour of federation, a goal correctly judged to be more palatable to London. Given Britain’s strategic needs in Africa, its desire to promote economic development and the possibilities of adopting a regional approach to the provision of common services, Creech Jones came to see a loose Federation as desirable, but he regarded the entire political dimension of closer association as ‘dynamite’. Sometimes derided subsequently for his Fabian idealism, Creech Jones nevertheless told Welensky unequivocally that any scheme for Federation in which African opinion had no confidence could not succeed.

The arguments for closer association, from Britain’s point of view, were that it would create a secure bloc of ‘British’ territory, better equipped to resist the northward advance of South African racial ideology. Furthermore, by facilitating regional planning – transport being a prime example – it would promote accelerated economic development. As the Colonial Office observed, there was currently no incentive for the Southern Rhodesian government, answerable only to its own electors, to take the initiative: a Central African government answerable also to Northern Rhodesia might be more proactive in organising adequate coal deliveries to the Copperbelt. On the other hand, Southern Rhodesia’s policies towards its African majority, in particular the industrial colour bar which it operated, continued to trouble Whitehall. Admittedly, a similar colour bar had been established on the Copperbelt during the war, but this was not formally recognised by the Northern Rhodesian government, which, as well as encouraging the development of African trade unions, remained theoretically committed to ending racially-based restrictive practices within the mining industry. Nevertheless, in view of clear African hostility to closer association, some exercise in consultation by Britain seemed to be necessary, if only because any scheme which failed to protect African interests in the northern territories, or overtly subordinated the latter to Southern
Rhodesia, was bound to attract criticism both within Britain and internationally. Balancing this concern was a fear that inaction by Britain might drive Southern Rhodesia into a closer relationship with South Africa.\textsuperscript{35} Apparently decisive in the evolution of British policy was the visit by Patrick Gordon-Walker, Commonwealth Relations Secretary, to Central Africa, early in 1951. Emphasising the threat of South African expansionism, and the associated risk of inter-ethnic wars, Gordon-Walker advised his Cabinet colleagues that containing this challenge, while remaining friendly towards Pretoria, required that the British settler populations of East and Central Africa be kept distinct from the Union, and that this in turn demanded a ‘positive’ response from London.\textsuperscript{36} Although Attlee’s government had accepted the potential benefits of Federation, lingering qualms about the fate of the majority population, and then the general election campaign of autumn 1951, prevented purposeful action. It was left to the returning Conservatives to reassess the arguments, and to endorse the Federal idea for much the same reasons as their predecessors had been attracted to it.\textsuperscript{37} Churchill’s government seemed more willing than Labour had been to accept settler assurances of widening opportunities for African political participation.\textsuperscript{38} With what in retrospect seemed almost indecent speed, legislation to create the Federation was passed by Parliament in May 1953, the plan having been endorsed comfortably in a Southern Rhodesian referendum in April. The Federation came into being in August 1953. Given the delicacy of the local political situation at this time, and the importance of the Copperbelt’s prosperity in influencing Southern Rhodesian opinion in favour of Federation, it was in retrospect surprising that London should have chosen this time to terminate the bulk-buying of copper, and so risk a drop in copper prices, which, as Lusaka pointed out, would be ‘most embarrassing’.\textsuperscript{39} The creation of the Federation, and the acquisition of an apparently strengthened political position by Central Africa’s white settlers, could be seen more broadly as part of the Conservative government’s attempt to ‘hold the line’ on political change in the colonial territories, in contrast to what some Cabinet ministers saw as the unseemly haste which had characterised the Attlee government’s handling of the issue of African devolution.\textsuperscript{40} At the heart of the Federal project was the idea of ‘multiracialism’, founded upon ‘qualitative democracy’, which linked political rights to educational and property qualifications, in preference to notions of majority rule. For much of the 1950s, this concept appeared to have a wider relevance to East and Central Africa, where London sought to protect the interests of minority populations, particularly
white settlers. In retrospect, however, the confidence with which London pursued the objective of Federation, despite clear opposition from the region’s African population, seems singularly misplaced.41

If the dominant theme in London’s discussions was the need to prevent the northward advance of Afrikaner influence, which might itself challenge Britain’s tropical African interests, above all by fomenting racial friction, for public consumption the British government emphasised the prospects of more rapid regional economic development which Federation offered.42 At a practical level, continued British access to the copper resources of Northern Rhodesia would be an important consequence (and advantage) of Federation. Both Andrew Cohen, head of the Colonial Office’s Africa Division, and Oliver Lyttelton held this view.43 Nevertheless, Gupta has argued that in the prelude to the Federation’s creation, professional economists have found no convincing economic argument being made for Federation. Berger, too, has argued that despite a widespread belief that the Federation would bring tangible economic benefits, in the form of larger markets for local secondary industry and greater opportunities to attract foreign investment, in reality these economic possibilities were ‘never explicitly analysed’. Indeed, Berger goes further by arguing that contemporary claims about the Federation’s economic prospects were greatly exaggerated, and that the rate of investment in the region was not significantly higher after the creation of the Federation.44 Crucially, Hyam has concluded that the British government’s deliberations on the need for Federation reveal no emphasis on economic motives. Ultimately, the economic argument provided secondary justifications for a policy reached for essentially political reasons.45

It is a commonplace that one of the most potent driving forces behind the desire for closer association was the settlers’ growing interest in the revenue-generating potential of the Copperbelt. During 1950 and 1951, while the possible form of a Federation remained to be defined, proposals were circulating among settler groups for a truncated bloc, comprising Southern Rhodesia, the Copperbelt and the line of rail in Northern Rhodesia, around which European settlement was densest. Rejected by officials as a scheme of ‘vivisection’, the plan would have excluded Barotseland and the remainder of Northern Rhodesia, that is, the territory’s economically less attractive regions, together with Nyasaland. Not only was such a scheme regarded as incompatible with Britain’s commitment to ‘partnership’, and likely to attract as much African opposition as a plan for full amalgamation, it also conflicted with London’s determination to rid itself of financial
responsibility for impoverished Nyasaland, transferring this instead to the Rhodesias. As will be seen, however, this settler predilection for ‘cherry-picking’ the most desirable Central African regions would revive towards the end of the Federation’s life.\textsuperscript{46}

The mining industry and Federation

As the pace of political change within Central Africa accelerated in the post-war years, the mining companies were forced to reconsider whether it was sensible to have their headquarters in London, rather than in Africa. Even before political considerations became pressing, the tax burden facing the industry had led to discussions on transferring domiciles to Northern Rhodesia. In 1947, both RAA and RST appeared to be considering emigration. Specifically, high levels of British taxation, particularly the recent increase in profits tax, against which the US tax-payer received no relief, also prompted AMC to take a keen interest in the possibility of migration.\textsuperscript{47} Such an outcome had been predicted before the Second World War by the Colonial Office’s Financial Adviser. In view of imminent tax increases, in the form of Neville Chamberlain’s ‘National Defence Contribution’, the incentive for the copper companies to move to Northern Rhodesia would be ‘very great indeed’. Nor, thanks to air transport, need this create insuperable practical problems. The Burma Corporation, which moved its head office to Rangoon, had set an important precedent.\textsuperscript{48} A further incentive to migrate came with the post-war changes in the balance of power in the Northern Rhodesian Legislative Council, particularly the convention adopted in 1948 that the Governor would normally abide by the wishes of the ‘unofficials’. Henceforth, it was prudent for the mining companies to be sensitive towards key settler political aims, which included rectifying the BSAC’s ownership of Northern Rhodesia’s mineral rights and the continuing loss of mining revenue overseas.\textsuperscript{49}

In the event, RAA took the lead, transferring its registered offices to Northern Rhodesia late in 1950, partly as a result of the abnormally high level of metropolitan taxation, and partly to encourage greater administrative efficiency.\textsuperscript{50} Reactions within the Colonial Office were fatalistic. RAA’s move reflected a ‘general centrifugal influence’, accentuated by the prevailing high level of metropolitan taxation. In an unusually expansive comment, encapsulating many of Lord Geddes’ wartime concerns, one official was driven to observe that ‘this country cannot expect to have an internal socialist economy and at the same
time remain a centre of capitalist power and influence’. Although it came under considerable pressure from its American shareholders to follow RAA’s example, RST, now chaired by Prain, opted to remain in London, concluding that migration would not in itself protect the group from high taxation: tax rates could not be guaranteed to remain stable anywhere, and it was always open to the government in Lusaka to raise its rates. As Prain explained, this decision was open to review if the much-discussed Rhodesian ‘Dominion’ came into being. Moreover, even allowing for what it considered to be excessive British taxation rates, RST, along with AMC, still believed, in the late 1940s, that advantages were to be gained from ready access to Whitehall, especially to the ‘moderating influence’ of the Colonial Office. However, once discussions on Federation gathered momentum, it seemed that a change of domicile might become necessary on political grounds. A mood of mounting apprehension became evident late in 1951, with Welensky warning Prain that if Northern Rhodesia were to become an African-controlled territory, ‘you can say goodbye to your mines within five years’. Regardless of any tax considerations, this would affect the group’s discussions on its domicile, since Prain felt unable to recommend a transfer if Northern Rhodesia was destined to be a ‘black territory’, which seemed inevitable if the proposed Federation proved abortive. A further reason influencing RST’s decision not to migrate in 1951 was the group’s desire to remain in London and so be better placed to influence the forthcoming discussions on amalgamation/Federation.

In May 1952, Welensky informed Prain that the Northern Rhodesian Legislative Council wanted all major companies operating in the territory to be registered and have their headquarters there. Stressing that external control of such businesses was unsatisfactory, he added that their boards ought to be available for consultation with the government in Lusaka. Migration would also enable companies to identify more fully with their host country. The Colonial Office suggested that a dual system could be introduced, with a small board of resident directors exercising control in Northern Rhodesia, and reporting periodically to London. It was convinced, however, by Welensky’s argument that a full transfer was necessary, particularly in order to allow the company boards to be thoroughly familiar with developments on the labour front. The sensitivity and importance of the latter question were highlighted later in the year by fresh industrial unrest, which emphasised that major issues remained unresolved. Yet, under the terms of the 1951 Finance Bill, company migration required the
Treasury's approval, and it appeared as though RST might have missed its opportunity. The group immediately decided to seek the Treasury's permission to migrate, citing a 'compelling' need, given recent political developments, for company policy to be directed within Northern Rhodesia, Welensky's declaration on this question, and the importance of gaining a deeper appreciation of the forces currently shaping industrial relations in the territory. Secondary considerations included the desirability of closer co-ordination with RAA and with both Wankie Colliery and Rhodesia Railways. But as Phillips has argued, the decisive factor was probably that the 'centre of gravity' in Northern Rhodesia's affairs was steadily shifting from London to the territory, a view shared by the contemporary financial press. The Colonial Office strongly endorsed RST's bid to transfer its domicile, stressing the importance of proximity to the local policy-making machinery. The Ministry of Materials, however, emphasised the desirability of giving the mining industry special treatment over taxation, to discourage transfers of domicile, and so preserve the City's role as a major centre of mining finance. After a delay which the Colonial Office considered 'almost intolerable', and after the political and economic consequences of refusal had been stressed once again, Treasury permission was finally granted in March 1953, and RST moved to Northern Rhodesia in June. The outcome of this episode suggests, once again, the predominance of political over strictly economic considerations in British policy. In appreciating relatively quickly the value of being closer to the seat of local decision-making in Northern Rhodesia, the copper companies seem to have been more willing to embrace change than other companies with African interests. In the Gold Coast, for example, even after a significant measure of devolution had been introduced in 1951, the business community as a whole continued to lobby the Colonial Office, rather than deal with the authorities in Accra.

In understanding the Federation's subsequent development, the attitude of the copper mining companies is of crucial importance. Both groups were early supporters of the Federal idea. This has been explained largely in terms of the companies' post-war developmental needs, particularly the problems they faced with energy supplies and transport. Berger has suggested that the companies also had misgivings about the Northern Rhodesian government's ability to promote economic development (lagging behind other colonial governments, Lusaka did not publish its ten-year development plan until 1947). They looked to the Federation for economic improvements which would
benefit the Copperbelt directly, for example addressing coal shortages from Wankie and the perennial transport problems associated with Rhodesia Railways, which became the responsibility of the Federal government in 1953. It was hoped that the Federation might introduce measures to alleviate those ‘bottlenecks’ which, before 1953, were forcing the companies either to suspend production or at least to reduce it. Although explanations of the mining companies’ support for the Federation have typically stressed the industry’s expectations of more effective regional economic co-ordination, this factor can be exaggerated. Prain, for instance, privately doubted whether the Federation would significantly improve the transport and energy situation. Conceding that the Federation probably would attract the investment needed to improve the railways and Wankie Colliery, he felt that it would also attract investment in other industries, creating higher demand which would offset any resulting gains.

Prior to the war, the mining companies seemed at best lukewarm towards closer union. RST, particularly, feared that amalgamation might lead to the introduction of restrictive Southern Rhodesian labour practices, and so adversely affect production costs. The post-war situation was fundamentally different. First, under the pressure of war, the ‘colour bar’ had been created on the Copperbelt, and so the mining companies’ previous anxieties about the repercussions of amalgamation on mine labour were now largely irrelevant. Moreover, Southern Rhodesia’s role in Central Africa was expanding. Its prime minister, Huggins, had, for example, taken a proactive role in defending the region’s economic interests. Thus, he had nationalised Rhodesia Railways and imposed controls on the shipment of coal from Wankie Colliery, thereby intervening in assets on which the Northern Rhodesian economy depended heavily, and for which a greater degree of interterritorial co-ordination seemed desirable. Southern Rhodesia was regarded by many as having failed to improve the region’s energy infrastructure, possibly because Salisbury had no incentive to do this, since it would not gain directly from the expansion of the Northern Rhodesian copper industry. The Copperbelt seemed likely to lose out in the distribution of the region’s resources until the copper industry’s interests could be aligned more closely with those of the white population of Southern Rhodesia. The best means of securing this, the mining companies concluded, was to bring the two Rhodesias together.

The groups may also have had political motives, too: some form of association between the two Rhodesias was seen as offering the best means of creating a counter-balance to the growing power of Northern
Rhodesian settler politicians, who were often sponsored by, or linked to, the Mine Workers Union. Since 1948, it had been customary for the colonial government to defer to the views of settler representatives entrenched in Northern Rhodesia’s legislature. The pressure on the mining companies to migrate to Northern Rhodesia had been just one recent example of growing settler assertiveness.\(^{68}\) Regarding the British authorities as having repeatedly ‘sold out’ to the demands of local white politicians, the mining companies hoped that association with Southern Rhodesia would create a more ‘balanced’ political climate.\(^{69}\) A further important development, which fed into RST’s reassessment of the Closer Association proposition, was the growth of nationalism in other parts of Africa, such as the Gold Coast, in which the Consolidated African Selection Trust, indirectly linked to RST, operated. This inevitably led to apprehension among company directors, fearful that a changing political climate would have implications for stable business conditions. Although RST sympathised with African workers’ aspirations within the mining industry, it was not yet prepared to see Northern Rhodesia come under African political control. In this sense, closer association appeared to be a useful alternative strategy.\(^{70}\) In March 1952, Roan’s directors in London wrote to the company’s general manager in Northern Rhodesia, warning that the immediate future could decide whether the territory would go the same way as the Gold Coast, ‘with all the implications this would have’ for Roan and its interests, or whether Northern Rhodesia would continue its current path (which was ‘reasonably conducive to white enterprise’). The directors concluded that the company’s ‘most direct interests’ were at stake in decisions soon to be taken.\(^{71}\) It is relevant to note here that RST’s US-based parent company, American Metal, although quick to respond to the political changes taking place in Africa during the 1950s, especially the rise of nationalism, was increasingly concerned about the future of its African interests, and about the fact that it appeared to be dangerously reliant on income generated in Africa. For example, in 1956, more than one third of American Metal’s total income of $31.1 million, that is some $11.1 million, came from RST and Roan Antelope.\(^{72}\) In the case of Anglo American, the Nationalist election victory in South Africa in 1948 appears to have strengthened Sir Ernest Oppenheimer’s support for a new ‘British Dominion’ in Central Africa. Amalgamation, an outcome he claimed always to have favoured, was one of the topics he had discussed with Lord Harlech during a visit to the Rhodesias in August 1941.\(^{73}\)
When the Colonial Secretary, James Griffiths, met representatives of NORCOM in September 1951, the latter promised to support any scheme for closer union. They regarded federation as a step towards amalgamation, their preferred option, which offered possibilities for planned regional development, better use of energy resources and the creation of conditions likely to attract European migrants. However, African hostility to the idea constrained the companies from public endorsement of the federal project. For instance, Roan Antelope’s Board made the point, in March 1952, that overt support for federation might jeopardise the company’s relationship with the African Mineworkers’ Union. Privately, both mining groups felt that African opposition to closer association should not be permitted to obstruct the project, seeing the Colonial Office’s attempts to ‘consult’ African opinion as inept. The mining companies accordingly lent discrete assistance to the campaign for Federation through their support for the Capricorn Africa Society, founded in 1947 to promote the cause of Federation of Britain’s East and Central African territories, and subsequently for the United Central Africa Association, whose activities revived in 1952. The Association’s London Committee, in particular, was designed to lobby officials and others in Britain. It was through the UCAA that the copper companies’ support for Federation was most apparent, with both mining groups providing sizeable financial assistance. In approaching both groups for financial help, particularly needed for the campaign leading to the referendum on Federation in Southern Rhodesia, Welensky had declared: ‘It is my opinion that if we don’t achieve Federation then the days of the European in this country are numbered’. The cause of Federation could be supported in other ways, too. For instance, Ronald Prain was not officially a member of the United Central Africa Association, but he had close links with key figures in the Conservative Party, such as his close friend and former superior, Oliver Lyttelton, described by Rab Butler as a ‘City shark’, who between 1951 and 1954 occupied the key post of Colonial Secretary. Through links such as these, according to Phillips, Prain gained the opportunity to lobby for the Federation in the highest places.

Although both mining groups espoused support for Federation, there are indications that London particularly valued the attitude of RST. Prain, for instance, was regarded as being more effective in influencing his companies than was his RAA counterpart. At a sensitive time in the prelude to the Federation’s creation, Lord Swinton, soon to become Commonwealth Relations Secretary, noted privately that Anglo American
were ‘more difficult to handle’, sharing none of Prain’s views of what was in Rhodesia’s long-term interests. Prain, Swinton added, had been ‘consistently sympathetic’ to the British government’s views, particularly to the argument that Britain and the Rhodesias were in partnership, recognising that Britain needed all the help it could get in facing the ‘long road ahead’. Prain, having assured Welensky of financial support for his Federal campaign, had gone further, promising that RST would find additional funds if, for any reason, Anglo American decided not to contribute. Indeed, Prain later claimed that RST had supported Federation as a means of making ‘partnership’ a reality: this was seen as an important buttress to the policy of African advancement to which RST had already become committed. Equally, RST’s subsequent rejection of the Federation reflected a growing belief that Federal politicians were neither able nor willing to promote partnership. While the AMC quickly grew impatient with Rhodesian Europeans’ failure to translate the ‘high-sounding’ principle of partnership into practice, Prain hoped that if the United Federal Party won the December 1953 Federal elections, it would make an ‘honest effort’ to promote change. Once it had been established, both RST and AAC openly supported the Federation and gave practical assistance, notably through their financial help to the UFP, in whose formation Welensky and Huggins had played a leading role. Over time, this would create political problems for Huggins and Welensky, who faced mounting accusations that the UFP had become the ‘stooges’ of the mining companies, a charge heard especially from the MWU and its political representatives. In these circumstances, leading figures in the mining industry attempted to keep out of the political limelight. Nevertheless, support for the UFP was justified at the time on the grounds that political life within the Federation was in its infancy, and that the UFP effectively was the political system. In order to ensure that the Federation functioned efficiently, it was therefore necessary to ensure that the governing party was itself efficiently organised and adequately financed. Their close links with the UFP may explain why the mining groups did not apparently seek separate representation for business in the Northern Rhodesian legislature, unlike mining companies in other colonial territories, for example the Gold Coast. In the early years of the Federation, Prain shared Welensky’s belief that a distinctive, pro-Federal newspaper was needed, to help cultivate support for the new state. Although investigations were made, and various press interests were consulted through the AMC, none saw the proposed venture as commercially viable, and the project came to nothing, leaving
Welensky feeling by the late 1950s that he had no reliable support in the Federal press. RST also concluded that it must transfer its headquarters yet again, from Lusaka to Salisbury, when it was announced that the latter would be the new Federal capital. Its reasoning was that it was essential for the group to be close to the new centre of political power. The move was eventually made in 1955, although the group continued to be registered in Lusaka, where a senior company official remained to maintain close relations with the Northern Rhodesian government. In the case of Anglo American, Sir Ernest Oppenheimer, a keen advocate of Federation, reconsidered his earlier view that European workers would not necessarily have a permanent role to play in Central African mining. However, Gann and Duignan, keen to emphasise the positive role foreign multinationals have played in Africa, see the mining companies’ support for the creation of the Federation as being ‘half-hearted’, claiming that Welensky received ‘but a few thousand pounds’ from them to support the Federation campaign. They argue that AAC remained ‘reasonably steadfast’ in its support for the Federation as a counterweight to South Africa. Most importantly, as Murphy has argued, the mining companies’ support for the Federation and the UFP soon conflicted with their desire to promote ‘African advancement’ on the Copperbelt. Because the bonus payments European workers received were linked to copper prices on the London Metal Exchange, and because prices rose significantly in the early years of the Federation, the mining companies had very good practical reasons for wanting to secure an expanded role for Africans in the workforce.

The Copperbelt and the Federal economy

As Roberts comments, there is a certain irony in the timing of the Federation’s creation. Just six months before the Federation was formed, the London Metal Exchange had reopened and bulk-buying of copper by the Ministry of Supply came to an end. As a result, the Copperbelt was arguably less immediately valuable to Britain (and the metropolitan economy) than it had been, yet it became of vital importance to the economy of the new Federation. By the mid-1950s, the Copperbelt accounted for around 90 per cent of Northern Rhodesia’s exports and government revenue. The territory was easily the richest component of the Federation, thanks largely to its copper wealth. It is commonly agreed that the Northern Rhodesian economy, especially the Copperbelt, made a vital contribution to the overall Federal
economy. During the years of expansion on the Copperbelt, copper mining contributed nearly two-thirds of the Federation’s total export earnings, as well as accounting for more than one-third of the public revenues accruing to the governments of the Federation. It has been estimated that in the Federation’s first seven years, Northern Rhodesia contributed around £70 million in tax revenue towards the infrastructural development of the other two territories. Of this amount, by far the greater share went to Southern Rhodesia. While the skyline of Salisbury was transformed by impressive building projects, Federal economic development served only to confirm widely-shared African suspicions that the white settler minority was benefiting disproportionately from the Federation’s financial structures. Sir Arthur Benson, the governor of Northern Rhodesia, was scathing in his comments about Federal financial arrangements, which he thought were continually shaped for the benefit of Southern Rhodesia, and with reference to the likely reactions of Southern Rhodesian voters. In African eyes, the gross disparity in Federal government spending on European and African education, for instance, belied the official dogma of ‘partnership’. A conviction emerged that, had it not been shackled to the Federation, Northern Rhodesia might have undergone a very different path of economic development, for example, leading it to make different investment choices, such as those involving the harnessing of hydro-electricity. On balance, it seemed, the territory had lost out economically from its membership of the Federation. Furthermore, boom conditions on the Copperbelt could easily disguise the fact that Northern Rhodesia had become dangerously dependent on its major export industry. Moreover, the secondary industries which developed during the Federal period were largely concentrated around the new Federal capital, Salisbury, even though the Copperbelt might, arguably, have offered a larger market. It is hardly surprising, then, that a comment heard with increasing frequency from the mid-1950s was that the Northern Rhodesian government was fundamentally hostile to the entire Federal project, a view Welensky certainly held, and one which gradually came to be shared by senior figures in Whitehall.

It seems clear that the Federal taxation regime operated to Northern Rhodesia’s disadvantage. The Colonial Office had looked forward to a more equitable distribution of tax revenue, once the mining companies changed their domiciles, and were no longer taxed by the British government. However, this benefit proved short-lived. After 1953, the Federal government, given responsibility for financial and commercial matters, gathered revenue from the Federation’s three
territories, returning less than one-fifth of the total to Northern Rhodesia which, for almost the entire life of the Federation, effectively subsidised its two neighbours to the tune of around £8 million per year. In addition to the Federal taxes they paid at a rate of 33.3 per cent, the mining companies were faced, after 1956, with a 6.7 per cent surcharge on their taxable income. Altogether, this meant that the overall government imposition on the companies stood at around 40 per cent, a higher figure than was the case in, for example, the Belgian Congo. Nor was Northern Rhodesia free, any longer, to set its own rate of income tax, and so it could do little to stem the sizeable flow of dividends and royalties out of the territory. After tax, these amounted to £260 million for the entire Federal period. All of this underlines the interesting (and ironic) comments made by Gann, early in the Federation’s life, on the changing context of business-state relations in the post-war world, and the problems the mining companies were likely to encounter from an increasingly demanding state: ‘The companies may escape the welfare state by shifting their headquarters. They will, however, sooner or later have to contribute to a new welfare state in the land of their adoption’.

It was an important component of the mining companies’ public relations efforts that they accepted that, as they were Northern Rhodesia’s principal source of wealth, they should be expected to contribute proportionately more, through taxation, to the development of the transport infrastructure, social services and other amenities, not least because they stood to benefit from the enhancement of these facilities. Nevertheless, the mining industry seldom missed any opportunity to reiterate that, in addition to paying taxes, it had for a long time borne responsibilities beyond those strictly required to maintain a successful industry, especially in its provision of comprehensive, high quality services for its workforce, embracing housing, education and healthcare. Up to the mid-1950s, confidence in the Federation’s economic potential remained high, buoyed by estimates that the life expectancy of the Copperbelt mines might be as much as 50 years. The Federation appeared to be living up to the expectations of those who had advocated it, managing to attract a steady flow of both migrants and money. Considerable progress seemed to have been made in a relatively short period. Welensky encapsulated this mood in 1955, when he commented that the Federation’s GNP had grown by £30 million in a single year to £304.7 million.

A factor of central importance to the Copperbelt, yet one over which the copper companies had no control, was the question of freight
charges. Like royalties, these served to raise the cost of copper, and made the region’s mineral deposits less profitable to extract than they might have been in another location. Freight charges remained stubbornly high, because of the Copperbelt’s geographical location and because of the need to transport its produce to the coast for despatch to distant markets in the industrial world. This problem was not eased by the behaviour of Rhodesia Railways. In 1956, for instance, following the collapse in copper prices, freight rates for copper were doubled, despite the mining companies’ protests, and despite the fact that RAA had already offered the railway £5 million to modernise its scarce and antiquated rolling stock. Anglo American would subsequently offer Rhodesia Railways additional finance to ease its long-term needs. However, most of the funds needed to modernise the railways came from the Federal and Southern Rhodesian governments, and from the IBRD. Ultimately, these subventions appear to have been worthwhile: by the early 1960s, with economic issues increasingly being eclipsed by urgent political problems within the Federation, the mining industry could report that the railway system was now coping well with their needs, and had improved considerably since 1953.

For their part, the mining companies were sometimes driven to make ‘grand’ claims about their contribution to the development of the Federation and Northern Rhodesia. For example, in 1955, Sir Ernest Oppenheimer declared that AAC had raised £55 million to develop mines on the Copperbelt, and had, since then, retained £45 million from its profits to expand these and to provide amenities for the workforce. For the RST Group, Prain argued that in the early 1950s, Northern Rhodesia was undergoing more rapid economic development than any other territory in the British Commonwealth – a situation he attributed to the copper mining industry. Prain was keen to emphasise that the Copperbelt was potentially the greatest single source of wealth, employment and foreign exchange in the new Federation. Yet Prain, particularly, became increasingly alarmed about the long-term implications of recent sharp increases in the price of copper, and their likely impact on future copper consumption. Welensky, too, was apprehensive as he saw the Federation taking on a heavy debt burden while its dependence on the Copperbelt grew. Once the price of copper exceeded £350 per ton, Prain began to fear an imminent slump, which in turn might trigger labour unrest. Among his favourite themes during the mid-1950s was that the Federation required steady prices, year in, year out, not only to boost its international credit rating, but
also to enable it to budget for major development schemes such as the Kariba project.115

By the end of 1956, the increasing use of substitute materials, together with the coming into production of additional mining capacity on the Copperbelt, helped to push down the price of copper, and the ‘boom’ was over: from a price of £400 per ton in 1956, the copper price continued to decline, reaching £158 per ton in 1958. These conditions both highlighted, and were in part the result of, excess capacity within the industry. It was calculated that the new mines brought into production would achieve output of around 560,000 tons per annum, or 18 per cent of world production (excluding the Soviet Union). In retrospect, the question inevitably arose whether it had been wise for the industry to increase its capacity by so much since the war, when the total world capacity was also expanding. It is striking that even after the slump in the copper price in 1956, the Copperbelt mining companies opted to persist with their plans for continuing development and expanded production. This policy was based on two assumptions, which were both eventually proved to have been correct. First, that the depression in the copper market would be temporary; secondly, the firms calculated that if they needed additional finance, because of an unexpected increase in costs, this would be available. They did not base their estimates on an unrealistically high and unsustainable price; nor did they try to maintain an artificially high price. Rather, they sought a price which would promise them a reasonable return, and which would complement their continuing efforts to discourage substitution.116

After the 1956 slump, the Copperbelt companies settled on a price of £240 per ton (their break-even point being £125 per ton). In their view, this higher price ensured some guarantee against rising costs, and meant that they could meet the Federation’s needs for both loans and taxes. Welensky, who became Federal prime minister in 1957, broadly shared the companies’ thinking on appropriate pricing levels.117 The companies’ preferred price, £240 per ton, roughly equated to the average price they had received during the early 1950s, but which had soared in March 1956 to £437 per ton, a figure regarded by the firms as excessive and no secure basis for investment decisions. It transpired that the companies’ caution was justified, as the average price subsequently declined to £219 in 1957, £197 in 1958 and then rose to £238 in 1959. Moreover, during the next five years, the price fluctuated between £210 and £280 per ton, reaching a ‘high’ of £531 in 1964.118
The period of depressed prices between 1956 and 1958 inevitably created problems for the mining companies, especially when they were seeking development finance. However, the companies were aware of the beneficial effects which offered some compensation, notably the fact that the low copper price helped to stimulate consumption and discourage substitution.\textsuperscript{119} Essentially, the companies were hoping both to maintain their operations at full capacity, and to ensure a stable price for their product. Even before the price of copper collapsed in April 1956, RST had tried to create regulated market conditions. From August 1953 onwards, following the reopening of the London Metal Exchange, LME prices had formed the basis of Copperbelt sales. Because copper was a marginal market, these prices were liable to be affected by minor changes in supply and demand. This situation enabled mining companies like RST to influence the LME price by controlling the supply of copper and selling at the so-called ‘producers’ price’. Although this offered a means of addressing fluctuations in the prices charged to customers, it was also liable to introduce another complication with the existence of two prices for copper, and the accompanying risk of even greater market volatility. It was ironic that the purpose of reverting to private trading in non-ferrous metals had been to allow the price mechanism to achieve a balance between supply and demand.\textsuperscript{120} Yet price fluctuations had become so common between 1954 and early 1955 that British manufacturers eventually asked RST to implement a price more stable than the LME price. Against the background of fresh price volatility arising from strikes in the United States, Chile and Northern Rhodesia itself, RST agreed, and accordingly introduced its ‘producers’ price’ in May 1955, with a promise that this would remain unchanged for at least a month. The price was initially set at £280 per ton, £30 less than the existing LME price. Nevertheless, RST was confident about the long-term effects of the producers’ price on its revenue. This optimism was justified by experience: thus, in April 1956, when the LME price had dropped from £437 to £365 per ton, RST was still able to sell at £385 per ton. Despite interventions by the Copperbelt companies designed to support the copper price, particularly through purchases of copper in London, the LME price continued to fall after April 1956. Moreover, Roan Antelope and Mufulira both began cutting their production by ten per cent in June 1957. In line with LME cuts, RST was compelled to reduce its price. Eventually, in October 1957, at the request of British consumers, RST resumed sales using the LME price. RST’s first attempt to free itself from the LME price had therefore failed: consumers,
although preferring price stability, were simply unwilling to accept a stable price above that of the average (albeit fluctuating) price. During the period of the ‘producers’ price’, RST’s prices had been remarkably stable, changing nine times between May 1955 and October 1956, whereas the LME price changed 237 times during the same period, ignoring alterations of less than £2 per ton.

As a result of the fall in copper prices, the mining industry’s contribution to the revenues of both the Federal and Northern Rhodesian governments suffered a similarly alarming decline (from 66.2 per cent of the total in 1956–7, to 40.2 per cent in 1958–9). As Prain was later to comment, the collapse in copper prices forced the Federal government to recognise the risks attached to the country’s over-dependence on a single industry, especially one so vulnerable to fluctuations in the price of its product. Prain had been concerned that key figures in government did not share his grasp of the essentially cyclical nature of the mining industry’s fortunes. Specifically, he later commented, he was afraid that a false belief, based on the boom years from 1953 to 1956, had become entrenched that the Copperbelt represented the foundations of virtually permanent prosperity, and that it was on this belief that unrealistic developmental expectations were being based.

In addition to the taxes they paid, the mining groups assisted in the Federation’s development by providing loans, on very favourable terms, to the Federal and territorial governments. In 1956, for example, the Mufulira Company agreed to lend the Northern Rhodesian government £1 million, and the Nyasaland government £0.5 million. These sums were to be used exclusively to finance African rural development, a recognition by the industry that it had in part contributed to the economic imbalance in the territory between the industrialised Copperbelt and the rural heartland from which much mine labour was recruited. This emphasis by the copper companies on social expenditure was in marked contrast to the declining metropolitan government faith in the social aspects of colonial development, once the centrepiece of post-war colonial policy, in favour of political and economic considerations. As the 1950s progressed, the Treasury became increasingly sceptical, as it had, unfashionably, been during the Second World War, about the commitment to colonial development. Its officials privately denied that the colonies had any special claim on British government resources, especially when metropolitan economic problems were increasingly causing concern, against the background of high defence spending. Ideally, Treasury officials would have liked to limit the colonies’ financial dependence on Britain as far as possible.
1955, Eden’s government agreed to review all expenditure, at home and overseas, in an effort to identify possible savings. In 1956, the Treasury told the Colonial Office that restraint on overseas expenditure was particularly necessary, rejecting the Colonial Office’s argument that colonial spending was a ‘special case’. It was against this mood of deepening metropolitan scepticism and financial stringency, and growing recognition that CD & W funds would never be adequate to meet the needs of colonial development, that the willingness of private enterprise to underwrite social expenditure, much as the copper companies were doing in the 1950s, was especially welcome.

**Investment and the role of the United States**

Early in the life of the Federation, the mining companies encountered difficulties in raising the capital needed for their development and expansion schemes. In 1953, for example, RST had been forced to postpone its plans to develop the Baluba deposit. Investors on the London Stock Exchange were, it proved, still unenthusiastic about the prospects for mining in Northern Rhodesia, and RST was able to raise only £2 million out of the £13 million it required. An attempt to secure the remainder from the Export-Import Bank of the United States was similarly frustrated. Cunningham has argued that among the factors affecting the Copperbelt’s capacity to attract investment was an uncertainty grounded partly in the fact that mines developed since the war were, at least potentially, high-cost producers, and partly from fears that the taxation regime, and thus the prospects for generating revenue, might change adversely in the future. The entire question of private investment in Britain’s colonial territories came to be overshadowed by uncertainty, which grew as the 1950s progressed, over the territories’ political future. As measures were taken to advance particular territories towards self-government, the wisdom of regarding them as ‘safe’ destinations for investment increasingly came into question. In the case of the Central African Federation, this was arguably less a cause for concern than it was in, say, West Africa before 1957. Nevertheless, it was generally found to be becoming increasingly difficult for colonial territories to float adequately subscribed loans in the City. Yet the British government felt that to underwrite such loans might be counter-productive, implying that London was pessimistic about these territories’ post-independence prospects.

British government attitudes towards the role of US finance in colonial development underwent a significant adjustment during the
1950s. Whereas for the Attlee government the tradition of metropolitan discouragement through inertia had persisted, under the returning Conservatives a more welcoming attitude became evident.\textsuperscript{131} It was fortunate for Britain, and, arguably, for Central Africa, that this shift in metropolitan attitudes coincided with a growing concern in the United States about the urgent need to safeguard the supply of key strategic materials, some of which were obtained from British African territories. For example, much of the capital needed to develop the new Chibuluma mine came from the US government, driven by a new emphasis on strategic stockpiling, itself a product of the Korean War and intimations of future conflict elsewhere.\textsuperscript{132} In 1954, the Randall Commission warned President Eisenhower that the United States urgently needed to develop foreign sources of raw materials.\textsuperscript{133} Accordingly, among the few areas to attract US investors during the 1950s were colonial projects to extract strategic minerals.\textsuperscript{134} Nevertheless, although both the US government and Congress were keen in the early 1950s to stimulate American private investment abroad, they had relatively little success. This reinforced Sir Ernest Oppenheimer’s view, shared by the British Treasury, that no reliance could be placed on either the volume or permanence of US investment in the Sterling Area.\textsuperscript{135}

During 1956, there came a reminder of the extent of US concern about the availability of strategic minerals, and of the need to deny the Soviet bloc access to them. The Senate Standing Committee on Government Operations, aware of US Government loans to the Copperbelt, demanded to know how US-funded projects were progressing. It was clear that the Committee, whose members included Robert Kennedy, was especially concerned that Rhodesian copper, produced with the help of US Government finance, might be reaching the Soviet bloc. But it was also clear that the Committee, controlled by the Democrats, was seeking to embarrass the Republican presidency. In February 1956, Ronald Prain was subpoenaed to appear before the Committee. Behind the Committee’s decision to take this course was a fear that the Soviet Union might be in a position to commence a general war once it had achieved parity with the United States in strategic materials. In the Committee’s view, the main shortages currently preventing this were of copper and cobalt. Prain, who had been advised by the British ambassador in Washington, Sir Roger Makins, (and, significantly, by the State Department) to decline to give evidence if invited, gave assurances, referring to the marketing policy agreement of 1955, under which RST could be sure of the use to which customers put its copper, and that it was not being sold on to companies outside Britain or their
Commonwealth subsidiaries. The Committee’s fears about RST copper reaching the Soviet Union were, according to Prain, groundless.\textsuperscript{136}

During the period of rising copper prices, the mining companies’ ability to raise investment finance steadily improved.\textsuperscript{137} In 1955, the shares of RST (in which the American Metal Company held the controlling interest) were listed on the New York Stock Exchange. It therefore became the only African mining company incorporated outside the United States to enjoy direct facilities in the US securities market.\textsuperscript{138}

A further benefit came with the 1957 Finance Act, which provided tax relief for newly-designated ‘Overseas Trading Corporations’, a development which helped smooth the path for a continued expansion of metropolitan investment in the colonies by allowing for the exemption from British taxation of the undistributed profits of eligible companies. This initiative was the longer term consequence of concern in Whitehall about the evident disadvantages which the existing tax regime created for British firms operating in the colonies.\textsuperscript{139} Paying tribute to the BOMA in securing this change, Selection Trust’s chairman, A. Chester Beatty, welcomed the measure, seeing the creation of OTC status as being potentially ‘a most important step’ towards permitting new mining operations overseas to be controlled from Britain.\textsuperscript{140}

**The demand for energy**

The expansion of the Copperbelt in the early years of the Federation highlighted once more the mining industry’s energy needs. Even with the diversification of the local economy, in 1957 the copper mines were still buying over 60 per cent of the Northern Rhodesian electricity industry’s output.\textsuperscript{141} It has already been seen that unreliable supplies of coal from Southern Rhodesia had forced the mining companies to improvise, by using firewood where possible, and although both mining groups made substantial investments in Wankie, an increasingly desperate situation prompted interest in encouraging the development of hydro-electric power in the Belgian Congo, or even closer to home, if possible.\textsuperscript{142} The dependence of the Copperbelt on Southern Rhodesia’s coal was only emphasised when the latter’s production was threatened with disruption, as happened in February 1954, when a strike among African miners at Wankie unexpectedly began. Since coal stocks were adequate for only a few days, a rapid resolution of the dispute was vital, both to the Copperbelt and to the railway system. A further consideration was the fear that labour unrest such as this might...
jeopardise the Federal Government’s prospects of raising loan finance in London.\textsuperscript{143}

Early in 1953, R.A. Nicholson, the Northern Rhodesian Economic Secretary, announced that the Kafue HEP project would proceed at an estimated cost of around £30 million. Sir Godfrey Huggins agreed to support the scheme, provided the Lusaka authorities could raise the necessary finance without seeking a public issue either in London or locally, or turning to the World Bank or the Commonwealth Development Finance Corporation for help (this proviso was intended to protect the future financial options of the soon-to-be-created Central African Federation). Huggins also sought a promise by the British government that any help it advanced for the scheme would not be at the expense either of Federal development, or of the possible construction of the Kariba project in the future. The governments of Northern and Southern Rhodesia accordingly announced in 1953 their agreement that the Kafue scheme would go ahead at once, with work on the Kariba project to proceed as soon as was possible after this. At the time, it was calculated that Kafue would be completed in just under seven years, and that the first stage of the Kariba project would take around eight years, and cost approximately £60 million. The entire affair threatened to generate public controversy, and rivalry between the Rhodesias, but in Northern Rhodesia the dominant view was that its smaller scale and lower cost would inevitably mean that the Kafue scheme, on which a considerable effort had already been expended, should take precedence. Moreover, Kafue held the promise of alleviating the Copperbelt’s short-term energy needs.\textsuperscript{144}

The decision in favour of Kafue generated controversy, especially in Southern Rhodesia, and in the summer of 1954, the Federal prime minister, Huggins, announced that a French consultancy firm was to give its verdict on the relative merits of the Kafue and Kariba schemes. It had become increasingly clear that the Kafue scheme would be much more expensive, but an impartial judgement was needed for transmission to the World Bank.\textsuperscript{145} In 1954 the Federal Government’s working committee opted for the Kariba scheme, on the grounds that it would not only satisfy all the Federation’s power needs, but also that it would cut local consumption of coal for electricity production and so free the transport system to carry other goods.\textsuperscript{146} In January 1955, the Coyne Report was published, recommending that the Federal Government should concentrate on the Kariba project, but should also embark immediately on the first stage of the Kafue scheme. Prain had, on financial grounds, urged Welensky to concentrate on Kafue.
Although Welensky, as a Northern Rhodesian, favoured Kafue, he recognised the advantages of the Kariba scheme, but he feared the financial risks it might involve, especially the possible effects of a fall in copper prices on a Federal Government already burdened with debts. At the beginning of March 1955, the Federal government decided in favour of the Kariba scheme, at an estimated cost of £85.8 million. An important consideration had been the scope Kariba offered for subsequent expansion, by the addition of generating sets. Potentially more controversial was the decision to install the entire development on the south bank of the Zambezi, taken by many to demonstrate Southern Rhodesia’s dominant position within the Federation. The project was officially opened in May 1960, power having first been made available to the Copperbelt at the beginning of the year. The importance of the Kariba project was reflected in the level and range of external funding it attracted. From the World Bank came a loan of £28.5 million, the largest loan the Bank had made thus far for a single project, and easily its largest venture in Africa. The Colonial (later Commonwealth) Development Corporation provided another £15 million and the Commonwealth Development Finance Corporation £3 million. Private funding came in the form of loans of £2 million from both Barclays and Standard Bank. Meanwhile, the project lent force to arguments that Southern Rhodesia benefited disproportionately from the Federation’s fiscal structures: Sir Arthur Benson, for example, who regarded the scheme as ‘flamboyant’, complained that politicians in Salisbury seemed determined to convert Northern Rhodesia’s wasting assets into permanent ones south of the Zambezi.

A project so large, and so capital-intensive, as Kariba, inevitably had implications for wider aspects of government policy. At a meeting of Federal heads of government in October 1956, for instance, Federal ministers disclosed that in their recent discussions with the IBRD, Salisbury had pledged to keep the Federal economy on an ‘even keel’, even though this had not been a condition of help from the Bank. Accordingly, apart from established projects, only railway development would be permitted. Ironically, in view of the impending collapse of the copper boom, the Federal Government had given the IBRD an undertaking that any financial ‘windfall’ arising from high copper prices would be devoted to development projects. In addition to promising to commit revenue to sustaining growth, the Federal Government had been asked to ensure territorial collaboration in the management of the economy. The entire question of securing finance for the Kariba scheme raised questions about relations between
business and the state in the Federation. During 1955, prompted by current high prices, the Federal government began to consider the introduction of an export tax on copper. This was inspired by recent problems in raising loans in the City, needed to meet the expected increase in the cost of the Kariba scheme, and for investment in the railways. Among the various problems raised by this suggestion was whether a discriminatory tax on the copper companies would contravene the 1949 agreement with the BSAC. Parallel to this proposal were discussions initiated by the new governor of Northern Rhodesia, Sir Arthur Benson, on a special voluntary contribution by the copper companies, to be based on the amount of copper produced and exported. Benson’s aim was to promote the development of the territory’s rural areas. Believing that there was a ‘very sound’ case for taxing the excess profits the copper companies were currently making, his idea was to allow the companies to put back into Northern Rhodesia part of its wasting assets, and so help alleviate some of the ‘vast’ problems arising from the impact of mining. High wages and well-developed amenities on the Copperbelt had, he reasoned, accelerated migration from the countryside, hampering the government’s overall development plans. To avoid future problems, it was therefore necessary to restore the balance, by developing the rural areas away from the line of rail, a subject in which Benson took a particular interest. Benson’s plans appeared to be threatened by the rival Federal scheme, under which much of the revenue accruing would pass to Southern Rhodesia and Nyasaland: to Benson, it was ‘vital’ on political grounds that Northern Rhodesia should receive a fair share of any additional levy, a position with which Colonial Secretary Alan Lennox-Boyd sympathised. Although Lennox-Boyd accepted that the currently enhanced company profits were ‘a natural and legitimate target’ for government, he was uncomfortable about the proposed export tax, given the mining companies’ recent political and financial behaviour. In view of the companies’ ‘very helpful attitude’ in recent years, an export tax would be ‘rather a slap in the eye’ for them: Lennox-Boyd therefore preferred a voluntary contribution. Late in 1955, London had reason to think that, for similar reasons, Federal ministers themselves had misgivings about the equity of an export tax. This echoed the Colonial Office’s, and Lusaka’s, clear preference for a non-discriminatory levy, such as an Excess Profits Tax.

Unsurprisingly, rumours of an impending export tax alarmed the mining industry. Prain feared that the next step would be for the Federal government to create a buying organisation, buying from the
companies at their stabilised price (lower than the LME price) and attempting to resell at a higher price, imitating state intervention in Chile, which Prain believed had been disastrous for the mining companies. However, the companies' immediate response, in which Prain's ideas were again prominent, was to propose voluntary contributions, in the form of loans, towards Federal development. To Prain, there was no question that the companies should make available to the Federal government a 'substantial' part of their earnings, provided that this could be justified to their shareholders, and that the companies' international credit standing was not jeopardised as a result. The problem was to find an acceptable formula: an export tax, he insisted, was not the answer, putting at risk, as it would, the development of the world's most dynamic mining industry. Bearing in mind Benson's concerns, the Colonial Office was anxious that if these loans went ahead, some means should be found of ensuring that some of the available funds should reach the northern territories. In the event, the Federal Cabinet rejected the companies' loan proposals, suggesting instead the issue of government bonds, to which the companies would be invited to subscribe, redeemable in 20 to 25 years. RST was inclined to accept the proposal, arguing that of the £60 million total envisaged, £10 million should be reserved for Northern Rhodesia and Nyasaland. Prain's intention was to recommend to his group that if these arrangements proved unworkable, RST should proceed with a separate package of aid for the northern territories. Anglo American, however, was unenthusiastic, partly through reluctance to see the northern territories involved in a Federal matter, and partly from an unwillingness to be committed for so long and for such a large amount.

In February 1956, agreement was finally reached between the Federal government and the mining companies. Shortly afterwards, Prain opened negotiations with the Colonial Office for special development loans for the northern territories. Before the Federal government raised the question of finance for Kariba, Benson had hoped for an outright gift from the companies, rather than a loan. Once the Federal loan had been agreed, he hoped that Prain would revert to Lusaka's original plan, arguing that this would pay 'enormous' dividends politically and socially, both to Northern Rhodesia and to the companies. The Northern Rhodesian government anticipated substantial savings arising from reduced costs in maintaining law and order. The authorities in Lusaka had for some time been concerned about the likely demands on their resources, and the diversion of scarce funds into new forms of
expenditure. For example, when the territory’s ten-year development plan was revised, late in 1953, the opportunity had been taken to include entirely new items, such as £850,000 (for the Police) and £400,000 (for the Judicial Department), suggesting that the Northern Rhodesian government was already preparing itself for possible unrest.168

As on other policy questions, the influence of the AMC is evident in RST’s discussions on development aid. Against the background of the threat of an export tax, the Northern Rhodesian government had taken the unusual step of approaching AMC direct, specifically requesting help with its education programme. This had prompted Harold Hochschild to conclude that a voluntary contribution might not only stifle calls for an export tax, but have longer term political benefits, since improved education would reduce African ‘delinquency’, and so pre-empt future political subversion. He had already expressed concern about the disparity in educational provision for European and African children, judging that this would become a cause of ‘spreading criticism’.169 While Hochschild had intended RST’s assistance to be concentrated on the Copperbelt, Benson, on learning of AMC’s sympathetic attitude, hoped that the group might be persuaded to extend its help to areas outside the Copperbelt.170 RST eventually made a loan of £2 million to the Northern Rhodesian government, and £1 million to Nyasaland, to be devoted to African development projects. The loans were interest-free until 1960, terms regarded by the Colonial Office as ‘very favourable’.171 Prain, who publicly acknowledged the copper industry’s responsibility to help redress the imbalances it had helped create in Northern Rhodesia, was described by Benson as ‘sympathetic throughout’ to the territory’s plight, and was thanked personally by Lennox-Boyd for RST’s ‘far-sighted generosity’.172

According to Prain, both he and Oppenheimer had been ‘astounded’ at the Federal Government’s threat to introduce a frankly discriminatory tax, one which would be a fixed charge, not related to the profitability of the individual mining companies, and therefore liable to penalise higher-cost producers. Complaining about the possible effects on some companies, they argued that in other countries where a similar tax had been introduced, it had eventually been withdrawn, but only after much damage had been done. Although they asked for time to consider the Government’s proposal, it was clear that the companies would have little option but to comply. In addition to the £20 million contribution extracted from the mining companies, (in what was the first major financial contribution made jointly by the two
mining groups) the Federal government imposed a further £10 million levy on the latter, in the form of a surcharge on the power they bought from Kariba. The BSAC, whose profits came to a great extent from copper royalties, lent the government a further £4 million, bringing to £34 million the total contribution to the Kariba scheme from local industry. The episode had been a tense one: although the copper companies had eventually complied with the Federal Government’s ‘request’ for a voluntary contribution, they had resented Malvern’s ‘strong-armed’ tactics. As Prain put it later, the companies did not object to contributing to the Kariba project, especially since they stood to benefit from it, but they did not like the Federal Government’s methods.

Labour: the debate on African advancement

By 1953, spurred by intensified African activism, the prospect of implementing the expensive Guillebaud award and the imminent creation of the Federation, expected to develop on meritocratic lines, RST resolved to take a firmer line with the European unions over African advancement. The ending of bulk-purchasing of copper in April gave the mining industry greater latitude in pressing for new negotiations with the MWU, without the risk of having to yield to government pressure in the event of interrupted production. During the African strike of 1952, Prain had speculated on whether the stoppage’s effects, particularly the laying off of European miners, might alert the MWU to the risks of obstructing advancement. Prain was also understood to be under considerable pressure from the AMC to take decisive action on advancement, even if this provoked a strike, although whether this resolve could withstand a prolonged strike was a moot point. Until the end of 1952, Prain subsequently recorded, RST had seen advancement as a responsibility of government, but had steadily lost confidence in the state’s ability to make progress. Prain had evidently decided as early as February 1953 that if the MWU elected to strike, RST should seize this as the ‘long-awaited opportunity’ to denounce the entire colour bar agreement, acting independently of Anglo American if necessary. He was assured of the AMC’s support for this line of action. In contrast, Anglo American continued to adopt a very cautious line, even though it, like RST, stood to benefit financially from advancement: the group’s reluctance to antagonise the MWU, or the latter’s South African equivalent, remained strong. Also relevant here is the wider political context in the run-up to the creation of the
Federation. As the British High Commissioner in Salisbury noted, a strike triggered by attempts to implement the Dalgleish Report would be particularly unwelcome at that stage, because opponents of the Federal idea were asserting that business interests were backing the Federation in order to maximise their profits by replacing European workers with Africans. In June 1953, both mining groups informed the MWU that they wanted to discuss advancement, but because of their differing approaches, with RST apparently being willing to go much further than Anglo, the groups’ position was arguably weakened. Under the Federal constitution, territorial governments had responsibility for labour policy. The mining companies therefore had little incentive to court the UFP during their showdown with the European trade unions. For their part, Federal ministers, heavily reliant on white mineworkers’ votes, tended to be unenthusiastic about African advancement. Although the Labour Department of Northern Rhodesia was keen to expand African opportunities, the territory’s Executive Council included three UFP members, and so it was difficult for government officials to support African advancement explicitly. It was hardly surprising, then, that the Colonial Office saw no role for the Northern Rhodesian government, other than to observe developments closely.

In October 1953, in the face of the stolid rejection of the Dalgleish recommendations by the MWU, Welensky, when asked to clarify his party’s position, declared that the MWU was competent to defend its members’ interests. Dismissing the Dalgleish Report’s current relevance, he declared that African advancement was not a Federal concern. Shortly afterwards, on 24 November, came a controversial intervention by Prain, described by Wood as the ‘opening shot’ in the mining companies’ advancement campaign. In a public statement, Prain declared that the Federation offered a chance to improve the position of Africans within the context of multiracialism. Defending the record of the mining companies, he argued that the Federation’s success would depend upon successfully resolving the problem of the industrial colour bar. Prain not only endorsed Africans’ right to insist on change, but encouraged them to demand it. According to Wood, RAA agreed with the position taken by RST, but ‘typically’ adopted a more subtle approach. Prain would later describe the determination which characterised the campaign to end the colour bar as yet another example of a responsibility ‘discharged at great risk and enormous cost’. Given the interest shown by the white settlers, especially within Southern Rhodesia, in the contribution made by the Copperbelt
to the Federation’s economic viability, it was perhaps inevitable that they should be hostile towards any undermining of the European workers’ claims. Prain would subsequently claim that both the Northern Rhodesian and Federal governments supported the mining companies in their bid to eradicate the colour bar. ¹⁸⁷ Practical assistance in achieving advancement, however, was not forthcoming.

Of critical importance to RST’s initiative was the fact that Prain and his colleagues enjoyed the full backing of RST’s controlling interest, the AMC. Cunningham has argued that the AMC, and particularly the Hochschild brothers, demonstrated a politically enlightened attitude during the 1950s. He suggests that the AMC concluded, perhaps as early as 1946–7, that white settler domination of Northern Rhodesia would inevitably succumb to African political pressure, and that the company must therefore plan accordingly, hence its liberal attitude towards the dismantling of racial barriers on the Copperbelt. Not only did the AMC back Prain when he broke ranks with RAA to pursue advancement, it pressured him to alter the composition of the RST board so as to make this possible. ¹⁸⁸ Yet although the AMC demonstrated an early interest in ‘progressive’ labour policies, partly inspired by the Katangan model, it would be wrong to see Harold Hochschild as willing to pursue industrial peace at any price. For example, during the strike at AMC’s smelting plant at Carteret, New Jersey in summer 1949, Hochschild saw the issue, which had been developing since the outbreak of war, as being whether management or radical union leaders ran the plant: ‘We feel that the time has come for a showdown and we are prepared to see it through’. ¹⁸⁹ At the same time, it is important to note that matching AMC’s concern to create greater stability for its African operations were efforts to develop the company’s interests outside the Copperbelt, a tactic judged by Roberts to have been intended to provide safeguards against possible future expropriation by an African government, and so decrease the company’s dependence on the Copperbelt. Thus, through a merger in 1957, AMC would become American Metal Climax, with interests in mining coal and molybdenum in the United States.¹⁹⁰

Meanwhile, African workers were growing impatient over the advancement issue. Late in 1953, the AMU warned that unless NORCOM made some definite effort on the issue, the union itself would be forced to act.¹⁹¹ RST, it appeared, was intending to seize the initiative, emboldened, so the authorities in Northern Rhodesia thought, by Prain’s assumption that the government would intervene to prevent a strike.¹⁹² Early in 1954, however, the Colonial Office still felt that Lusaka should
respond to developments cautiously, avoiding any explicit position on the principle of ‘equal pay for equal work’, and above all not allowing itself to be forced into a position in which it appeared to be taking sides with the companies against the MWU and the AMU in favour of a ‘cheap labour’ policy. At the same time, it was believed, the Northern Rhodesian government should be ready to intervene as part of its ‘ordinary responsibility’ to help resolve a trade dispute, and in particular to discourage any interference by the Federal government. At this stage, as the Colonial Office noted, any reference to ‘Dalgleish’ was liable to set ‘everyone’s teeth on edge’. Although keen to pursue advancement, RST became alarmed during negotiations to find that African workers interpreted the term to mean mass financial improvements, rather than penetration into ‘European’ jobs on an individual basis. To Prain, this was a ‘hopeless’ misconception, entirely unacceptable to the mining companies: its implications would greatly magnify the consequences of the Guillebaud award. As Prain put it, the prime concern was to avoid adding to the companies’ financial commitments, which would impair their competitiveness. The problem, in his view, was not that Africans were underpaid, but that Europeans were overpaid. This comment prompted the highly revealing remark by Harold Hochschild that advancement was RST’s chief, perhaps only, weapon against the spread of the idea among Africans that they should receive more pay for less work. It was, moreover, during this period that the mining industry on the Copperbelt showed a growing interest in mechanisation, to reduce its dependence on both European and African labour, and so keep down its costs. Such a strategy complemented the growing reality of labour stabilisation. By 1955, for instance, annual African labour turnover had declined to approximately 35 per cent, compared with an average of around 60 per cent in the 1940s. However, what has been described as an ‘overarching, progressive narrative’, in which a short-term migrant labour system gave way to a ‘permanently urbanised’ and ‘fully proletarianised’ African labour force, risks blurring a much more complex and nuanced situation, with mineworkers continuing to maintain an intricate network of ties with the rural areas of Northern Rhodesia.

In August 1954, the government set up a board of inquiry, the Forster Commission, chaired by Sir John Forster, to look afresh at the question of advancement in the copper industry. Forster told Prain in confidence that he had never encountered a problem as difficult as that of advancement on the Copperbelt, and confessed to being baffled as to how it could be resolved. The problem was not one of principle
(since all parties involved professed to accept advancement) but rather of method, that is, identifying the sort of jobs Africans could do, and the rates of pay they should receive. In Forster’s private opinion, only action by the mining companies could resolve the problem, which would mean giving notice to the MWU and facing the inevitable European strike. The essential dilemma was that if the companies did nothing, they would face African anger; if they acted, they would invite European hostility. Ultimately, there would have to be a trial of strength between the employers and the European employees. The Forster Commission published its report in September 1954, affirming the findings of the Dalgleish Commission on the types of work Africans could undertake, and focusing on the obstacles to this. While accepting the companies’ view that advancement was possible only within a dual-wage framework, the report repeated the official view that the problem had to be resolved by the employers and workers. Following the Forster Commission’s report, a steep rise in copper prices on the LME briefly restored the advantage to the mining companies, since the bonuses paid to European miners increased, opening the possibility that the risk of losing these advantages might encourage moderation among MWU members, and discourage them from deploying the strike weapon.

Although the Forster Commission had encouraged negotiation within the copper industry, it was soon clear that the MWU remained firmly opposed to altering its policy on equal pay and the subdivision of jobs. Nevertheless, the AMC was concerned that action on advancement might come too late to persuade Africans that the companies were on their side, and that Africans might therefore strike to achieve the end of the colour bar, effectively playing into the hands of ‘extremists’. The AMC was particularly keen that resolution of the problem should come as a result of the companies’ initiative: any delay, after the publication of the Forster Report, might jeopardise this. The AMC remained sensitive to the MWU’s charge that the companies’ real interest was in a permanent lowering of wages and living conditions on the Copperbelt. Harold Hochschild had been goaded into suggesting that the time was right to consider giving higher pay to a select group of African workers. Since this would probably become inevitable before long, it was possible that the companies could make a virtue out of necessity, and make such a proposal during the negotiations which would follow giving notice to the MWU. In November 1954, accordingly, the RST Group gave the MWU six weeks’ notice of its intention to terminate their recognition agreement. Early
in December 1954, Prain announced that RST was willing to discuss the question of equal pay for equal work (albeit with certain provisos). A week later, it was announced that the company’s notice of termination would be suspended for three weeks, but relations between RST and the MWU remained difficult. Soon after RST had given the MWU notice of its decision to end the recognition agreement, Welensky told the editor of the *New Commonwealth* that he had been sympathetic to the company’s stance, but, like many people, he was now coming around to the MWU’s line, that is that what RST and its American shareholders really sought was cheap labour. Meanwhile, the tensions already evident between the two mining groups intensified as the inevitable confrontation with the MWU loomed. Oppenheimer reportedly told the Governor of Northern Rhodesia that RST’s demands on African advancement were ‘quite unjustified’, and refused to make any threat to terminate Anglo American’s agreement with the MWU. Oppenheimer feared that precipitate action by the companies might win the support of the Railway Workers’ Union for the MWU, thereby jeopardising the Copperbelt’s coal supplies, and urged Lusaka to restrain Prain from giving notice to the MWU. Notwithstanding the periodic complaints within the mining industry about government inactivity over advancement, Oppenheimer also asserted that there was nothing the government could do to help. Following in a long tradition of gubernatorial detachment, Sir Arthur Benson had responded that the decision was one for the companies.

In January 1955, a nine-week African mineworkers’ strike began, resulting from the AMU’s pay claim, made in October 1954, of 10s 8d per shift, four times larger than any previous demand. The mining companies, still smarting from the effects of the Guillebaud award in 1953, felt it necessary to stem Africans’ willingness to resort to strike action prior to the arbitration of pay claims, and adopted a firm position. They tried to maintain production, by keeping European workers at their posts, and by hiring replacement African workers. They also declared that any employees who did not resume work by 29 January would be dismissed. Strikers who did not comply with the companies’ ultimatum were discharged, and replaced with workers from among the unemployed in mining districts. For the companies, who did not envisage replacing the entire workforce, this was intended as a symbolic move, necessary in order to drive the point home both to the workers and the government. A surprise development in January 1955 was a ballot among MWU members which revealed that 60 per cent accepted the opening of lower grade posts to Africans, although
the leadership continued to demand ‘safeguards’. A further setback for the MWU was the hostile reaction throughout the Federation to talk by the South African MWU of sympathetic action in support of the Northern Rhodesian MWU. Clearly, any interference in the Federation’s affairs, whether from Britain or South Africa, was resented. Although European workers were not laid off as a result of the African strike, ill-feeling developed over the AMU’s behaviour, and over the companies’ apparent leniency over the issue of a return to work: as a condition of ending the strike in March 1955, all who had taken part were to be re-employed.

The Northern Rhodesian government was alarmed by the strike, and offered to mediate, provided that the mining companies made some gesture towards the unions. For their part, the companies had a wider objective than merely to resume production: they sought to discredit the union leadership in the eyes of the members, and so avoid similar episodes in the future. More specifically, the government had been concerned that discharging striking workers might have dangerous consequences, with evictions from company housing on the mines perhaps leading to unrest. A further concern was how discharged men were to be conveyed to their rural homes. Despite subsequent complaints about the state’s lethargy over advancement, the companies were keen to avoid government intervention. Strictly, the government had no grounds for intervening, since both parties in the dispute had acted lawfully, and in accord with the agreement between them. Although the government called on the companies to readmit some discharged workers on their previous terms, mine managers were anxious not to act prematurely, since this might be seen as a display of weakness. Berger has identified a mutual absence of confidence on the part of the companies and the government, demonstrated by the meeting between Governor Benson and representatives of the Chamber of Mines, held on 9 February 1955. According to Berger, this meeting revealed that the government felt that the AMU was quite discredited, and so ‘desired’ to lose in its ongoing dispute.

Negotiations on advancement during 1955 revealed continuing differences between the mining companies, arising from the South African links of the Anglo American group. As Berger notes, Anglo American constantly viewed the situation on the Copperbelt through the prism of conditions on the Rand, fearing that problems with the MWU in Northern Rhodesia might sour relations with its South African counterpart. Divisions among the companies surfaced when in February 1955, RAA proposed that African advancement should be
capped at five per cent of the total number of European mineworkers, and subsequently suggested the alternative of making the transfer of each category of work dependent on the MWU’s approval. This triggered a split with the RST, which refused to accept this concession. During July, because of the MWU’s refusal to concede, and the RST’s adamant opposition, it seemed likely that a European strike would ensue.214

Late in July 1955, the MWU suspended its negotiations with the Chamber of Mines to clear the way for separate discussions with each mining group. RAA remained anxious to conciliate the MWU, fearing that the situation might escalate into violence. This led to an agreement between the two parties at the end of the month, which included provision for the re-designation of 24 categories of work to Africans, and a veto for the MWU over further advancement. Meanwhile, the RST held out for another six weeks, believing that to concede a veto to the MWU would mean a considerable loss of managerial autonomy, and eventually the MWU signed an agreement, acceptable to both mining groups, omitting the veto, a deal regarded at the time as embodying the notion of ‘partnership’ supposed to be the foundation of the Federation.215 Some of the jobs covered by the agreement involved a direct substitution of African for European workers, while others were ‘fragmented’, meaning that more than one African undertook a job previously done by a European. Africans entering these jobs received a higher rate of pay than they had previously, but this was still less than the rate hitherto payable to European workers for the same jobs.216 The achievement of an agreement on advancement, a significant stage in the dismantling of the colour bar, was widely attributed by contemporaries to the efforts of Prain, who was knighted as a result.217 It could hardly be attributed to the role of the Federal Government, whose attitude throughout the long dispute was distinctly unhelpful, and continued to be so. Even when Lennox-Boyd pressed Malvern on the possibility that his government could influence African opinion by advancing Africans in employment on the railways and the post office, Malvern responded by stressing the importance of European opinion, arguing that it would not do ‘to force the pace’.218

Meanwhile, the mining companies’ plans for African advancement triggered serious problems for the AMU, since the proposals fell far short of African expectations. When, in August and September 1956 the union organised a series of strikes across the Copperbelt, the government interpreted this as a politically-inspired move, demonstrating the links between the AMU and African nationalists. A state of
emergency was accordingly declared, martial law imposed, and the AMU’s leadership detained. Government officials still harboured memories of the political activities of African trade unionists immediately before the inception of the Federation, when there had been fears of a general strike. By 1956, they had become nervous about the scope for political activity within the AMU, and about the ‘irresponsible’ outlook of some of its leaders. In reality, as Berger notes, the AMU’s role had been limited: the scope to pursue pay increases was circumscribed by the companies’ belief that these should be closely related to improvements in productivity, which, in turn, were linked to the outcome of the negotiations on advancement (which themselves hinged on an earlier agreement with the MWU). Moreover, the Colonial Office had never envisaged the political arm of British trade unionism being translated to the colonial context, but rather saw colonial unions operating within clear limits. Perhaps inevitably, the 1956 Copperbelt disturbances encouraged suspicions that the ANC had been involved, and had incited the AMU to strike. The government’s assessment was partly informed by the Colonial Office’s understanding of the ‘proper’ role of African trade unions, a brief beyond which government officials soon concluded the AMU had gone. During the strikes of 1955–6, officials were prone to recall the three earlier unsuccessful attempts to launch a general strike, between 1951 and 1954. However, the government was unable to prove that collaboration had taken place between the ANC and the AMU. Ironically, although the 1955 agreement on advancement was important, there lay ahead a period of serious industrial unrest, reaching at least into 1958.
The Demise of the Federation

The copper industry in search of stability

The collapse in the post-war boom in copper prices had consequences felt for the remainder of the colonial period in Northern Rhodesia. During 1958, the price of copper levelled out at £160 per ton, less than half the recent record figures. While the Northern Rhodesian government was preoccupied with the impact of falling copper prices on future African incomes, two responses by the mining companies were possible: cuts in production, and cuts in sales. RST led the way in 1957 by adopting the former, hoping that other producers would follow its example. During 1958, copper output was cut by approximately 250,000 tons. This, together with industrial unrest in some other major world producers, helped push prices up from late 1958, and new record production on the Copperbelt was recorded in 1960, when output restrictions were lifted, by which time Northern Rhodesia had overtaken Chile in terms of production, becoming the world’s largest exporter of copper. However, the air of uncertainty overhanging the copper industry was easily exacerbated. The period 1959–60, for example, saw anxiety in copper-producing countries as a result of the Eisenhower administration’s decision to reduce its stockpile of strategic materials, in order to assist the US budget. Fears that this might depress commodity prices prompted Eisenhower to reassure the industry that copper would not be included. Arguably more serious were the perennial difficulties of securing concerted action by copper producers to achieve price stability. The failure of the copper industry generally to discern the looming problem of over-production and the accumulation of sizeable stocks meant that the cuts embarked upon by, for example, RST might not, as Prain predicted, be sufficient to achieve a quick
recovery. Prain, airing a view shared by Welensky, lamented that other mining companies had not acted more promptly to address the problem of falling prices. The recovery in copper prices by mid-1959 was certainly attributed to the deliberate policy of cutting production. Copper prices suffered a fresh decline in 1960, forcing Copperbelt producers to support the LME price, through a ten per cent cut in production (by RST) and a ten per cent cut in sales (by Anglo American). With its stronger financial position, and longstanding preference for market-determined copper prices, RAA had once again opted to stockpile rather than reduce output. In mid-1962, further cuts in output were introduced, soon followed by cutbacks by other producing countries. Illustrative of the volatility of the world of copper were Prain’s serious concerns, voiced early in 1962, about the state of world copper supplies. With consumption rising steadily, but with hardly any new mining capacity becoming available, Prain predicted serious shortages approximately five years hence unless world production could be increased. The worst outcome might be that intensifying shortages would encourage the dreaded substitution of aluminium for copper, from which the copper industry might never recover.

The Copperbelt did not resume maximum production until early 1964, when world demand for copper was once again outstripping supply, and Washington had acknowledged that African copper was ‘a vital element in our peacetime economy’. However, Northern Rhodesian producers were concerned that this might trigger price increases which would encourage new efforts at substitution. From the beginning of 1964, therefore, they offered their customers two prices, one based on the LME price (and so liable to fluctuate), and the other fixed at £236 per ton. Other producers again imitated the Copperbelt, with Union Minière adopting a similar price, having previously followed RST’s example in cutting production. The ‘fixed producer price’, devised by Prain, was intended not only to avoid substitution, but also to help stabilise the market, by avoiding the kind of unrealistic escalations previously witnessed. Although their responses to the problem differed, both mining groups agreed that it was necessary to eliminate the kind of wild price fluctuations seen since 1953, and that ‘every effort’ must be made to achieve stability, whether through reduced production or restricted sales. Such steps, however, potentially conflicted with long-standing US hostility to restrictions on trade. In June 1964, Prain warned the Board of Trade in London that the American authorities were considering taking action against the Northern Rhodesian producers, on the grounds that their current production controls and
attempts at price-fixing constituted a cartel. Long an advocate of efforts to stabilise prices, Prain feared that the US authorities might succeed in forcing the mining companies to comply with their wishes. Were this to happen, and the existing system of controlled production to be abandoned, violent fluctuations in copper prices might return, creating instability for Northern Rhodesia’s entire financial and economic position, with possible political repercussions. Furthermore, such price instability, as well as threatening the loss of markets to substitute materials, might wreck the economies of those developing countries which together accounted for nearly half of world copper production.15

If there had previously been any ambiguity on the question, the later 1950s showed conclusively that the Copperbelt companies were high-cost producers. If they were to maintain their competitive position, it was essential that their costs were trimmed as far as possible, for example by eliminating ‘uneconomic’ labour practices: this would give renewed significance to the problem of African advancement. Equally, the kinds of measures being invoked to stabilise copper prices were, the companies realised, liable to add to their costs.16 Moreover, to enable them to handle low-grade ores, previously not commercially worthwhile, the companies would be obliged to make significant investments in plant.17 Basic infrastructure, particularly transport, continued to require sizeable contributions from the mining industry. Anglo American, for instance, spent some £8 million on rolling stock for Rhodesia Railways and helped establish a merchant bank in Southern Rhodesia, while RST invested in the Wankie colliery and Southern Rhodesian government stocks. The mining industry’s investment choices can therefore be seen as part of the larger tendency within the Federation to privilege Southern Rhodesia at the expense of Northern Rhodesia.18 However, as Cunningham argues, given the copper industry’s fluctuating fortunes over the previous 30 or so years, making such large-scale investments when funds were available can be seen as a rational choice. Nevertheless, Copperbelt operations remained profitable until Zambia’s independence in 1964. Indeed, the mining companies courted criticism in the early 1960s by paying what were seen as over-generous dividends, instead of reinvesting their profits. In the decade before independence, the companies paid out an estimated total of £259 million in dividends, and between 1958 and 1960, net profits averaged some 16 per cent of the estimated market value of Copperbelt investment. Nevertheless, by 1964, the total investment in the copper industry, much of which came from retained profits, was estimated to be between £300 million and £500 million.19
One reason for the recovery of the mining companies’ profits during 1959–60 was the apparent improvement in industrial relations on the Copperbelt, after a long episode of tension. Conversely, industrial relations in the American mining industry deteriorated during this period, another factor which indirectly assisted the Copperbelt. Nevertheless, the collapse in copper prices inevitably placed new strains on the pattern of industrial relations on the Copperbelt. While mine managements came under increasing pressure to cut costs, European miners saw their prized bonuses (linked to the price of copper) contract sharply, increasingly the likelihood of demands for higher basic wages. The desire to cut costs lent an urgency to the industry’s drive towards African advancement. From the mid-1950s onwards, among the causes of the companies’ high costs was the rising cost of labour relative to its productivity, a factor which additionally strengthened the attractions of further mechanisation. In the decade after 1955, for instance, when Mufulira invested heavily in mechanisation, average African earnings rose by 125 per cent (doubling in real terms), while African productivity rose by only 64 per cent. Yet copper mining remained heavily dependent on skilled labour, in comparison with other sectors of the economy. In 1961, for example, European workers comprised 15 per cent of the workforce in mining and quarrying, whereas the equivalent figure in agriculture and forestry was less than two per cent.

The MWU continued to maintain that it had no objection to advancement as such, provided that equal work secured equal pay, a proviso which would rob advancement of its point to the companies. Underpinning the Union’s position was the aim of preserving the position of the next generation of European miners. Under the 1955 agreement, never more than a stopgap, the MWU had surrendered a large number of jobs and opened its ranks to all races, a concession judged in retrospect by the companies as having ‘few parallels in recent times’. Under its terms, over 1,900 Africans were in ‘advancement’ jobs by the middle of 1962, with several hundred more in training and awaiting placement. Late in 1960, after discussions initiated by the companies, the MWU agreed to surrender a further 38 categories of job. As had been the case under the previous agreement, some jobs were made available to Africans, while others were specially created for Africans. It was expected that Africans would replace 350 Europeans. Significantly, in 1960 the companies promised that any European thus replaced would continue to enjoy terms of employment at least as favourable as those applying had he not been displaced. In theory, all
posts had been opened to Africans, but wages would be adjusted only for those job categories covered by the agreement, hence the best paid Africans would only be on a par with the lowest paid Europeans. While there was thus a reduction in the gap between the two pay scales, the rates for all other jobs conventionally seen as ‘European’ would remain, and for the vast majority of European workers, the principle of ‘equal pay for equal work’ was unaffected.26 When negotiations foundered, and a strike seemed possible, a Commission of Inquiry was appointed by the Northern Rhodesian government. This concluded that the fault lay with poor communications between the Union and mine management. Once again, the colonial state, still reluctant to risk provoking a European strike, expected both parties to find a solution without government intervention.27 However, a more fundamental government concern was that advancement would have to be implemented in other sectors of the economy, such as the railways, which, unlike the mining industry, could not bear the resulting costs. At a time when the Federation’s economy was already becoming less stable, any inflationary consequences of advancement might, it was feared, severely affect the Federation’s competitiveness.28 Ironically, while progress with advancement in copper mining outpaced developments in any other sector within Northern Rhodesia, the result served mainly to antagonize African workers. While the mining companies tended to see the question as one chiefly relevant to senior African workers, the AMU regarded it as affecting all of its members.29 On the other hand, the Northern Rhodesian government derived great satisfaction from the agreement between the mining companies and the AMU, in summer 1962, on an 18-month wage freeze. This, it was thought, would make it difficult for nationalists to pressure the AMU into strike action in support of political, rather than industrial, demands. Equally, it was believed that Kenneth Kaunda, ‘despite the threatening noises he makes from time to time’ was far from anxious to provoke industrial chaos.30 On the question of differences between the mining companies over labour policy, RAA appeared to officials, late in 1963, to be in sympathy with RST’s view that a ‘showdown’ with the MWU over African advancement was necessary. Anglo American, however, appeared to be constrained by an ‘ill-considered and unauthorised’ earlier assurance by the General Manager of Rhokana to his European workers that African advancement would only be undertaken in consultation with them.31 The mining companies remembered, and privately admitted, that the position they had adopted over advancement in the 1950s had brought them into conflict with popular European sentiment, thereby in turn
embarrassing elected governments, which relied on the support of European voters.\(^{32}\)

**The politics of Federal disintegration**

During the rapid phase of decolonisation ushered in by the ‘wind of change’, the most intractable problems confronting Britain emerged within Central Africa.\(^{33}\) As one of the leading architects of Britain’s first phase of post-war decolonisation remarked, the settler territories of East and Central Africa would ‘obviously present the last great challenge to us as a colonial power’.\(^{34}\) African opposition to the Federation, never far from the surface since the latter’s inception, gained momentum after 1957, when London endorsed constitutional changes designed to reinforce settler privileges over the African majority. This not only raised questions about the sincerity of Britain’s commitment to multi-racial ‘partnership’, but inevitably fuelled African fears of becoming trapped permanently in a white-ruled, self-governing polity. These fears were expressed in increasingly effective political mobilisation, drawing on Africans’ experience of trade unionism, especially among mineworkers (responding in part to the militancy of the MWU). An equally alarming signal of hardening settler attitudes came early in 1958 when the reform-minded prime minister of Southern Rhodesia, Garfield Todd, was ousted by his own United Federal Party. The reluctance of the Federal authorities to share political power with the African majority was demonstrated early in 1958 when the Federal prime minister, Sir Roy Welensky, denounced proposals for a slight increase in African representation in Northern Rhodesia (under the ‘Benson constitution’).\(^{35}\) London, however, felt that it could not obstruct such modest reform, as resistance might be counter-productive. Harry Nkumbula of the ANC accepted the new constitution, but the party’s more radical wing seceded to form the Zambia African National Congress, led by Kaunda, pledged to boycott the Benson reforms. Later in 1958, the Commonwealth Relations Secretary, Lord Home, identified the dilemma facing Britain as a result of the irreconcilable commitments it had entered into with respect to the Federation. On the one hand, Britain had, in the wake of the Gold Coast’s independence in 1957, led Salisbury to hope that the Federation would achieve independence by 1960, when the Federal constitution was due to be reviewed. On the other hand, London had promised in 1953 that the protected status of Northern Rhodesia and Nyasaland would not be rescinded without their populations’ agreement. It was this second
pledge which Home believed might have to be reviewed, in the Federation’s favour. London remained firmly committed to the Federal experiment, and, in theory, to the goal of multiracial ‘partnership’, a ‘middle way’ between the unacceptable extremes of African and settler nationalism. Macmillan was apparently yet to be convinced, however, that policy regarding the treatment of the African population required revision: his priority was to avoid action unacceptable to the Federal government, which might endanger Britain’s regional interests. Rather, London continued to pin its hopes on the very gradual extension of political rights to Africans who satisfied educational and property qualifications, a process which would eventually modify settler political dominance, while swelling the ranks of African political ‘moderates’. For African nationalists, however, the looming constitutional review, due in 1960, injected a new urgency and incentive to organise. For the settlers, the possibility that the Labour Party, sympathetic to African aspirations, might win the 1959 British election, made a quick settlement in their favour all the more vital.

However, evidence of deep-seated African discontent began to surface before the end of 1958. In the middle of the year, the political activist Dr Hastings Banda, who had spent the years since 1953 living in the Gold Coast, returned to Nyasaland to assume the leadership of the Nyasaland African Congress and its anti-federal campaign. Disturbances erupted in the territory in October, prompting demands from local settlers for a general tightening of security. When fresh unrest gripped the territory in January 1959, the Federal authorities seized on the opportunity to create a pretext to remove Banda from Nyasaland. Intelligence gathered by the Federal Special Branch supposedly indicated that Banda’s NAC was plotting an insurrection against the small European population, and during late February and early March 1959, states of emergency were declared in Nyasaland and Southern Rhodesia. The episode of co-ordinated repression which ensued, assisted by the Federal authorities, did much to damage Britain’s reputation as a colonial power. In Nyasaland, Governor Armitage, a veteran of the conflict in Cyprus, initiated ‘Operation Sunrise’, and the detention of African political leaders, including Banda, and their supporters began. Similarly tough measures were taken against African nationalists in Northern Rhodesia, including the arrest and imprisonment of Kaunda and the banning of the ZANC. The declaration of a state of emergency required an official investigation. The resulting Devlin Report, which made embarrassing references to the ‘police state’ operating in Nyasaland during the emergency, and which Macmillan privately
feared might bring down his government, made clear to London the risks of allowing local settlers to retain the initiative, and, along with the revelations of brutality at the Hola detention camp in Kenya, and France’s abrupt decision to decolonise, seems to have convinced Macmillan of the need to establish clear British control over the situation in Central Africa. This led to the appointment of a review commission, chaired by the senior Conservative politician, Sir Walter Monckton.

For Welensky, the long-awaited review of the Federation’s constitution seemed bound to result in a smooth progress towards self-government, without any fundamental redrawing of the existing electoral arrangements or challenge to white predominance. Continuing evidence of African opposition was dismissed by him as simple treason against a remarkable experiment which had patently brought progress to all in the Federation. Meanwhile, constructing the advisory commission on the constitution, and determining its frame of reference, proved no less controversial than the Federation itself. Envisaged by Macmillan’s government partly as a means of buying time, the commission inevitably raised the central issue of the Federation’s viability. Only months after the emergency, Whitehall departments had concluded that if the concept of Federation could be sustained, and ‘encouraged to take organic root’ in its three territories, the Federation might, by 1970, have developed into a multiracial ‘shock-absorber’ between South Africa and the emerging black African states to the north. The fundamental problem, however, was that the Federation was not a ‘voluntary’ association, having been imposed against the wishes of its African majority. Welensky was adamant that any concession which allowed for the secession of components of the Federation was unacceptable. The British government appeared to endorse this view when it proposed that the Monckton Commission ought to assume that the Federation was desirable, and should merely advise on any necessary modifications to its constitution. The Labour Party, however, found this constrained remit objectionable, and refused to participate in the Commission.

Like Iain Macleod, appointed Colonial Secretary in October 1959, Macmillan became convinced that the survival of the Federation depended upon constitutional reform in Nyasaland. Early in 1960, while making a leisurely, seaborne progress home from South Africa, where he had delivered his ‘wind of change’ speech, Macmillan agreed to release the obviously popular Banda from detention in order to give evidence to the Monckton Commission. This move had enormous
implications, being effectively an endorsement of Banda and his secessionist aims, and an implicit recognition that following the Devlin Report, the use of coercion against Nyasa nationalists was impossible. Perhaps a true turning point in the history of decolonisation, this may mark the moment when the Federation’s fate was decided. Meanwhile, in Northern Rhodesia, during Kaunda’s imprisonment, dissident members of the rump of the ZANC had formed the United National Independence Party, committed to ending the Federation by non-violent means, and to boycotting the Monckton Commission. On his release from prison in January 1960, Kaunda became the party’s leader. By the end of the year, the party had a membership of over 300,000. Nevertheless, from an early stage, some within UNIP criticised Kaunda’s moderation, and the Northern Rhodesian Special Branch felt that he was struggling to restrain his followers from precipitate demands for immediate independence.

The Monckton Commission’s report, delivered to Macmillan in September 1960, clearly reflected the extent of African hostility to the Federation. Most members of the Commission accepted the economic case for Federation, but believed it could not continue in its existing form. Stressing the importance of demonstrating that the multiracial ideal could be made to work, they recommended measures designed to win African approval for the Federation, including equal representation in the Federal Assembly, as well as constitutional change at the territorial level aimed at creating African legislative majorities. The report also acknowledged that London retained the power to hear requests for secession by individual territories, and called on the government to state that it would do so. Although the Monckton Commission gave Macleod and Macmillan the justification they needed to push through constitutional reforms, its comments on secession had to some extent been anticipated by developments on the ground. The British government appeared keen to preserve the Federation in some form, if only through continuing economic links, and hoped, forlornly, given the response of African nationalists to the Monckton Commission’s recommendations, to persuade the northern territories of the possible advantages. A constitutional conference on Nyasaland had already met in London in July 1960, at which the territory’s legislature had been given an African majority. Given that Banda was committed to secession, his success in the elections of 1961 made the prospects for Federal cohesion unpromising. In November 1962, it was decided that Nyasaland would attain full internal self-government, and with it the right to secede. When fresh elections in 1963 confirmed Banda as
prime minister, there could be little doubt as to the course he would choose.

For Welensky, the loss of Nyasaland would be unfortunate: unthinkable was that copper-rich Northern Rhodesia, the Federation’s economic dynamo, should be lost as well.\textsuperscript{50} It was the future of this northern territory, and the review of its constitution announced by Macleod in October 1960, that brought Salisbury into growing conflict with London. Following Macmillan’s trip to Africa in 1960, and his off-the-cuff comment that the populations of the northern territories would be given the chance to decide on their membership of the Federation, Welensky had suspected that the British government might acquiesce in Federal disintegration as the price of appeasing African nationalism.\textsuperscript{51} Relations were not improved by the abortive Federal Review Conference, which opened in London in December 1960, only to produce formal, set-piece position statements by the delegates, which inevitably provoked confrontation and a sterile adjournment, allowing separate initiatives to be produced on constitutional reform in Northern and Southern Rhodesia. At talks on the Northern Rhodesian constitution in January 1961, opposed by Welensky who saw them as a concession to a ‘thoroughly discredited’ UNIP, further stalemate emerged when settler leaders walked out, unable to agree with the British side on the kind of concessions which could ‘safely’ be offered to African nationalists.\textsuperscript{52} In February 1961, Macleod, who had concluded that Kaunda’s UNIP was the most sympathetic partner in reform, and who was committed to ultimate majority rule for the territory, proposed equal representation for Africans in the Northern Rhodesian legislature.\textsuperscript{53} This provoked a furious response from Welensky, who was determined to protect settler interests in the territory. Salisbury mobilised troops, supposedly to deal with ‘eventualities’, but rumours abounded that a military coup was impending. The Northern Rhodesian governor urged London to consider sending a warning to Salisbury, but ministers agreed that any such move would be liable to precipitate action by Welensky rather than to restrain him.\textsuperscript{54} Although Britain responded by readying its forces in Kenya, doubts surfaced about the willingness of some British officers to confront their Rhodesian kith and kin. The Cabinet in London was bitterly divided over Northern Rhodesia, Macleod threatened to resign, and settler groups successfully exploited their contacts in the Conservative Party, especially the former minister, Lord Salisbury, and the Beaverbrook press, to put pressure on the government.\textsuperscript{55} Over 100 Westminster MPs signed an early day motion, urging the government to abandon its plans for majority
rule. During the entire process of decolonisation, it was perhaps over Northern Rhodesian constitutional reform early in 1961 that the Conservative Party came closest to splitting apart.\textsuperscript{56} Meanwhile, the Northern Rhodesian government urged, there was a pressing need on economic, political and security grounds to remove the current uncertainty and doubt, and to ensure a ‘substantial’ period of political stability as soon as a new constitution could be agreed upon.\textsuperscript{57} In June 1961, London responded to these various pressures with revised constitutional proposals, this time designed to secure a small settler majority. Perhaps predictably, and despite Kaunda’s pleas for restraint, violence erupted in Northern Rhodesia and further talk of reform was postponed.\textsuperscript{58} Welensky was led to argue that granting political concessions could only be seen as a victory for violence, and warned that other groups, such as the MWU, might follow the example of African protesters.\textsuperscript{59} The 1961 disturbances, London noted, were largely confined to attacks on property, and were seen by the British government as illustrating how easily disorder could escalate if the African population felt a general sense of political frustration. While this violence had evidently affected thinking across the racial divide, it was thought to have made Africans more keenly aware than hitherto of their latent strength.\textsuperscript{60}

Meanwhile, in self-governing Southern Rhodesia, where violence late in 1960 had demonstrated African anti-Federal sentiment, prime minister Sir Edgar Whitehead was persuaded to introduce a marginally more liberal constitution, giving Africans greater, though still unequal, representation. Prior to this, in 1959, Whitehead had asked London to remove its remaining restrictions on full self-government for Southern Rhodesia. This was a delicate issue, as Home pointed out to the Cabinet Africa Committee. With the report of the Monckton Commission still pending, if Britain were to announce that it was giving up its residual powers to intervene in the territory’s affairs, the African population might deduce that power was effectively being handed over to the white minority, and that this was London’s intention for the entire Federation.\textsuperscript{61} In the event, a new constitution for Southern Rhodesia, unveiled in February 1961, gave Africans 15 seats in the legislature (compared to 50 seats for whites). African representation would be increased as Africans met franchise qualifications. In return, Britain had given up its remaining ‘reserve’ powers over the territory, thereby further fuelling the suspicions of nationalists in Northern Rhodesia.\textsuperscript{62} Whitehead, who had responded to earlier unrest by introducing tough security measures, hoped to win enough African support,
through a package of relatively liberal social policy measures, to enable him to negotiate full independence from Britain. These reforms were part of a strategy to detach middle class Africans from support for nationalism, and win their collaboration with ‘liberal’ settler elements. In the event, Whitehead’s comparative liberalism failed to convince many enfranchised Africans (most of whom boycotted the October 1962 elections, ironically helping to seal Whitehead’s fate), while it infuriated white settlers, driving many of them towards the brand of ‘populist nationalism’ represented by the right-wing Rhodesian Front, led by Winston Field.

An important factor contributing to hardening settler attitudes in the Federation were the events unfolding in the neighbouring Congo. Granted independence in 1960 by Belgium with scant preparation, the country was soon convulsed by civil war, following the secession of the copper-rich Katanga province under Moïse Tshombe, backed by Belgian business interests and Belgian military assistance. At a time of plentiful world copper supplies, fear that the crisis would affect Britain’s imports was not an important consideration. Far more worrying were the pro-Communist sympathies of the Congo’s legitimate premier, Patrice Lumumba. For Welensky, one possible outcome was the fusion of Katanga with the Federation (an idea he had apparently contemplated in 1959). To London, the idea held some attractions, increasing the likelihood of Katanga’s mineral wealth being kept in pro-Western hands. With some reluctance, and with Washington’s encouragement (and against Welensky’s urging), however, Britain eventually supported UN intervention. The collapse of the Katangan regime early in 1963 was blamed by settlers in the Federation largely on British vacillation during the crisis. Meanwhile, the fate of white settlers in the Congo brought home to their counterparts across central-southern Africa the possible consequences of bungled decolonisation. For the mining industry, too, events in the Congo were an additional source of apprehension about the future. Inevitably, there was concern that instability in Katanga might affect the Copperbelt. There were close business links between the two regions, through mutual shareholding and interlocking directorships. Prain, while sympathetic to Katanga, concluded that the province was necessary as a buffer between the Federation and the rest of the Congo. Of wider significance, perhaps, was the impact the so-called ‘Katanga lobby’ in Britain, supportive of the secession, had on African opinion generally, fuelling pre-existing suspicions of ‘neo-colonial’ conspiracies being hatched by London and big business.
By the beginning of 1962, London could admit privately that the Federation could not continue much longer in its current form: if any form of association were to be maintained, a much looser mechanism would be needed. It was soon apparent, however, following Home’s discussions in Nyasaland, that Banda was unwilling to contemplate even this.67 In February 1962, London unveiled its new constitution for Northern Rhodesia, this time along lines similar to those already established for Nyasaland, with the prospect of an African legislative majority following elections in October. With the precedent of the two northern territories before them, settlers in Southern Rhodesia increasingly argued that their independence, too, should be built upon the constitutional foundations devised early in 1961, even though these denied a political voice to the African majority. This remained the stumbling block in discussions between London and the territorial government in Salisbury.

The possibility of concerted action by settlers across southern Africa, the creation of a ‘white redoubt’ to confront black African nationalism, could not be excluded: were this to happen, Britain’s hopes of promoting multiracialism in the region would be doomed.68 The looming threat of Nyasaland’s secession raised the prospect that this would trigger the general disintegration of the Federation. If Northern Rhodesia demanded a similar right, as seemed likely, the Federal government might resist, in order to retain the Copperbelt. This led the Commonwealth Relations Secretary to suggest that it might be necessary to detach the Copperbelt, the only truly multiracial part of Northern Rhodesia, from the rest of the territory, allowing the latter to be governed separately, with the possibility of secession.69 As it became clear that any acceptable new constitution for Northern Rhodesia would probably create an anti-Federation majority, Welensky not only suggested postponing constitutional reform, but also put forward an outline plan for the partition of the territory, leaving the Copperbelt closely associated with Southern Rhodesia, the ‘core’ around which a looser association of the remaining territories could be formed. Not only was this plan ‘objectionable’, because it could be regarded as a device to keep the Federation’s sources of wealth in European hands, but also no reorganisation which lacked the consent of the affected populations could be contemplated.70 The idea of partitioning Northern Rhodesia was not new. In mid-1959, the right-wing Dominion Party had devised the ‘Field Plan’, intended to detach Nyasaland, Barotseland and other incontrovertibly black African areas, and forming these into ‘native’ states, to survive on a ‘dole’ from copper revenues,
while white hegemony would be preserved in the ‘Greater Southern Rhodesia’ which would remain. Similarly, in March 1962, Sir Edgar Whitehead unveiled a plan for the reorganisation of Central Africa, bringing Central Northern Rhodesia and Southern Rhodesia together, leaving North Eastern Northern Rhodesia and Barotseland free to secede. Predictably, the Colonial Office was unenthusiastic, fearing that the result would be impoverished African protectorates and possible revolt among the African population. In April, speaking to the United Nations’ Committee of 17, Kaunda described the idea of partitioning Northern Rhodesia, being aired publicly by Whitehead, as ‘completely unacceptable’ to African opinion in the territory. Similarly, in May, UNIP referred to ‘persistent rumours’ that partition was one of the ‘solutions’ being canvassed for the Federal problem, declaring that any partition would only occur ‘over our dead bodies’. After 70 years of Britain ruling the territory as an integral whole, the party saw no logic in partition. UNIP pointed to the Congo as a tragic example of the suffering unnecessarily caused by the ‘machinations’ of minority groups seeking to protect their interests. According to UNIP, groups such as the ‘notorious Katanga lobby’ and business interests such as the BSAC were particularly interested in partition. Meanwhile, there was mounting evidence of concern among the authorities in Lusaka to avoid doing anything to make Kaunda’s position more difficult. His conciliatory policy towards Europeans had attracted criticism from UNIP radicals, yet Kaunda had continued to demonstrate a willingness to work ‘constructively’ and ‘responsibly’.

Increasingly despairing of Central Africa and the domestic, African and international problems to which it exposed his government, Macmillan persuaded his loyal deputy, R.A. Butler (one of the handful of British ministers in whom Welensky still appeared to have some confidence) to accept the ‘poisoned chalice’ of responsibility for the Federation’s demise. Butler started from the premise that, while continuing political association between its components was unrealistic, some form of economic relationship might be possible. In June, a group of special Advisers was formed to examine possible future forms of association. The prospects were not promising. In Northern Rhodesia, the ANC restated its fundamental opposition to the Federation. Nkumbula emphasised the economic cost already incurred by the territory, such as the diversion of secondary industry to Southern Rhodesia. He also warned that a serious political situation was being aggravated by the prospect of large-scale unemployment. Demanding immediate independence, the ANC argued that Northern Rhodesia was better prepared for
self-rule than some territories already given independence, such as Tanganyika. It would be for an independent Northern Rhodesian government to decide what, if any, links should be preserved with former Federal territories. As the Lusaka authorities explained to Butler’s Advisers, Northern Rhodesia’s need to secure Associate Territory status with the EEC was a further reason for not being linked to a Southern Rhodesia whose racial policies were steadily attracting international disapproval. As Sir John Moffat, leader of the Liberal Party commented, given the false economic justifications canvassed at the time of the Federation’s creation, arguments for continuing economic association would have to be shaped with care. Meanwhile, the British government’s own political difficulties, arising both from the crisis in the Federation, and from the ongoing Common Market negotiations, added to the attractions of prolonging the Federation’s life if possible. In the event, elections in both the Rhodesias in October 1962 brought to power governments openly opposed to continued membership of the Federation. There was little further point in withholding the right of individual territories to secede from the Federation (though it might be argued that the release of Banda in 1960 had made this outcome inevitable all along). Fearing that Welensky might resort to force to preserve the Federation, but accepting Macmillan’s conclusion that the Federation was dead, ministers in London agreed that even if Nyasaland were allowed to secede, efforts should continue to maintain at least economic links between the two Rhodesias. Tacitly accepted in May, Banda’s right to secede was confirmed in December 1962. Perhaps clutching at straws, the Central African Office had noted, early in 1963, that at least some nationalist leaders in Northern Rhodesia appreciated the extent to which the territory’s economy was intertwined with that of Southern Rhodesia, for example in the transport and energy fields. Yet most were adamant that discussions on future ties could come only after the Federation had been dissolved, adding to London’s deepening pessimism. In March 1963, as expected, the new nationalist coalition government in Northern Rhodesia sought, and was given, the right to secede. There remained little to do but inter the Federation with whatever dignity was possible. A conference, held at Victoria Falls in summer 1963, divided up the Federation’s assets among its three constituents. One important consequence of this process was that the Northern Rhodesian was henceforth able to retain its entire revenue from the copper industry, half of which had previously gone to the Federal Exchequer, although this in turn made the Treasury adamant that there could be no question of an ‘independence settlement’, providing aid for
the early years of self-government, for so obviously prosperous a territo-
ry. At the end of the year, the Federation, created with such hopes
in 1953, was formally terminated, representing a clear reversal for
British policy. Northern Rhodesia and Nyasaland achieved indepen-
dence in 1964, but given the extent of Southern Rhodesia’s African
opposition, there could be no question of this territory receiving inde-
pendence on the terms of its 1961 constitution. The Rhodesian problem
remained unresolved by the time the Conservative government fell
from power in 1964.

The economic impact of political change

One of the most immediate and startling consequences of political
developments during this period was their impact on patterns of for-
egn investment within the Federation. It seems clear that the Fed-
eration as a whole enjoyed easier access to overseas capital than its
individual territories would have done, a situation which had proved
particularly beneficial to Southern Rhodesia and Nyasaland. Yet as
early as 1957, Welensky had told Lennox-Boyd of his fears that the
political situation might affect inward investment. Similarly, when
Whitehall discussed the growing recent evidence of US interest in
African investment opportunities, an interest welcomed in itself,
officials appreciated that private investors had to be convinced not
only of the opportunities, but also of secure conditions for investment,
otherwise they might take their capital elsewhere. But even after the
eruptions of early 1959, officials remained curiously sanguine about
the Federation’s potential. In its submission on ‘Africa: the Next Ten
Years’, produced in April 1959, the Board of Trade noted that between
1946 and 1955, around £300 million had flowed into what became the
Federation, with the greater part, approximately £250 million, coming
from Britain. On the assumption that the Federation did not become a
bad risk politically, and provided monetary conditions within Britain
allowed it, the Board saw no reason why this inflow of private capital
should not continue. Even allowing for the Federation’s dependence
on two commodities, copper and tobacco, with the former earning
£83 million out of £156 million worth of total exports in 1957, the
Board also judged there was no need to fear a further fall in copper
prices. In practice, however, a decline in overseas confidence in the
Federation was soon reflected in declining inward investment. Long-
term official investment from abroad fell from £24.1 million in 1958 to
£20.1 million in 1959. The drop in long-term private investment was
even more pronounced: from £23.8 million in 1958 to only £13.9 million in 1959. However, this was partly due to the completion of some large schemes and the start of repaying earlier loans. Nevertheless, the Federal government became increasingly concerned that any impression that the Federation’s life might be attenuated, or that the British government was not solidly committed to its existence, might have serious implications for the territory’s ability to attract investment, a point made forcefully by Federal ministers during Macmillan’s visit to Salisbury in January 1960. Welensky, for example, feared that the Monckton Report would gravely undermine the Federation’s scope for borrowing. The Commission’s recommendation on secession was greeted by supporters of the Federation as a disaster: as early as late October 1960, the Northern Rhodesian governor, Sir Evelyn Hone, noted that there had already been a loss of confidence among investors and businessmen because of the uncertainty created by the Report. Certainly, increasing investor nervousness led in 1960 not only to a marked reduction in capital inflows, but to a sizeable outflow of private capital, amounting to around £7 million by the end of the year. As this financial haemorrhage increased early in 1961, the Federal authorities imposed exchange controls, designed to prevent residents transferring their capital abroad. The Federation’s experience reflected wider shifts affecting Africa as a whole. Between the end of 1957 and March 1961, for instance, Selection Trust’s African assets had fallen from 65 per cent to around half the company’s total interests. As A. Chester Beatty had already noted, demand for investment always exceeded the available supply, and it was therefore essential that potential investors should feel that they would receive a fair deal from the countries in which they invested. Perhaps as much to soothe investor fears as to reflect on actual conditions, he added the optimistic observation that African leaders were well aware that the development of their countries depended largely on their ability to attract foreign capital.

At the beginning of 1961, Welensky described the ‘serious difficulties’ the Federation had experienced during the previous six months in raising overseas capital. For an economy such as the Federation’s, geared to absorb foreign investment, the indications that little fresh money had entered the territory since June 1960 (while around £1 million was currently leaving the Federation each month) could only be alarming. In March 1961, the Federal Government approached the British government for a loan of not less than £10 million, judged essential to cover the shortfall between projected
development expenditure and available resources for 1960–1 and 1962. The Federation’s development programmes covering the period 1959–63 had been drawn up on the assumption that external borrowing at around £10 million per annum would be possible, but Salisbury currently faced a shortfall of £23 million. From London’s point of view, the problem was that providing such a loan might invite further requests in the following year, unless the political situation in the Federation improved sufficiently to enable the Federation to regain its former credit-worthiness. Unfortunately for Salisbury, the British government at this time was concerned not only about the balance of payments position, but was also investigating means of ‘stabilising’ aid expenditure.96 In the event, the British government agreed to provide a Commonwealth Assistance Loan of £5 million over two years from April 1962, towards the Federal and Southern Rhodesian development programmes, and to assist the Northern Territories as normal through CD & W assistance.97

Given the Federation’s deepening political problems and investment difficulties, it was inevitable that the Export Credit Guarantee Department, responsible for underwriting sales of British exports, should review Salisbury’s credit-worthiness. As well as noting the problems the Federation had experienced attracting investment, and the recent flight of capital, the ECGD also commented on the Federation’s heavy dependence on copper, which accounted for 50 per cent of Federal export earnings, which in turn fluctuated with the world price of copper. Equally worrying, perhaps, was the fact that the Federation’s foreign exchange resources derived principally from Northern Rhodesian copper.98 When, in summer 1961, the ECGD decided to downgrade the Federation’s credit rating from ‘B’ to ‘C’, on the grounds that it had become a bad financial risk, the CRO, which had already stressed that nothing should be done to suggest that London had lost confidence in the Federation’s future, challenged the Department’s basic assumptions. Since the Federal Review Conference, adjourned in December 1960, had not yet reconvened, the Federation’s political future could not, the CRO argued somewhat disingenuously, be predicted. Even if the Federation were to disintegrate, it would be premature to conclude that its responsibilities would not be transferred to the territorial governments in an ‘orderly’ manner. Moreover, the CRO was concerned about the consequences if the Federal government were to learn about the ECGD’s decision: since the British government’s declared policy was to support and maintain the Federation, it was vital that the Federal government’s confidence in the British government should not
be weakened ‘in any way’. The Commonwealth Relations Secretary, Duncan Sandys warned of the ‘serious political consequences’ which might follow if the decision became known in the Federation, and urged Maudling to reject the ECGD’s position. Although the ECGD’s credit ratings were highly confidential, and no government was ever supposed to be aware of its own rating or that of any other government, the fact that the Advisory Council on whose recommendations the Department based its decisions included non-official members meant that ‘leaks’ could not be ruled out. Maudling, however, was unwilling to overrule the commercial judgement of the Advisory Council: against purely commercial considerations, the Federation’s special position within the Commonwealth was ‘immaterial’. It had proved impossible, as the CRO conceded, to refute the ECGD’s central contention that the Federation’s future was uncertain. Indeed, as early as August 1961, the CRO was privately admitting that Federal disintegration was a possibility. Having always operated as a commercial organisation, the Department’s decisions on credit worthiness could not therefore be interpreted as an expression of the British government’s weakened resolve to uphold the Federation. Accordingly, the CRO decided not to press the matter further, and the ECGD’s decision stood. A more fundamental concern bolstering the ECGD’s position was a belief that to change a decision which the Department (and its Advisory Committee) thought commercially sound, simply because of political pressure, might encourage similar lobbying from Whitehall’s overseas departments, risking a reversion to the pre-war ‘bad old days’ when political considerations had been allowed to be decisive, threatening at times to wreck the entire guarantee system.

During the summer of 1961, the security of investments in Northern Rhodesia was brought into focus by the interest being shown by Japanese investors in developing two copper mines with RST. In return for a loan of £15 million, and because of the uncertain political situation in Northern Rhodesia (and fearing that future nationalisation might prevent repayment), the Japanese interests sought a guarantee of their loan, something RST could not, and the City would not, provide. This led RST, arguing that the territory would benefit from the employment and additional government revenues which this development would create, to seek a British government guarantee, or a guarantee of a loan from the World Bank. Such a guarantee by the British government would have been unprecedented, and, it was feared in London, might encourage similar requests, for example from Kenyan farmers. Although it would be underwriting almost all the capital required for
the scheme, the government would secure no part of the resulting profits. Although RST’s request was defended by the CRO, on the grounds that the guarantee would ‘demonstrate in a dramatic way’ the British government’s faith in the Federation, and particularly in Northern Rhodesia, politically the ‘most difficult’ of the three territories, the Treasury considered the proposal ‘preposterous’: the dominant view in Whitehall was that it was for the Japanese government to provide any guarantee. In the event, the Japanese concern found it impossible to raise the required capital, owing, mainly, to the atmosphere of financial constraint currently gripping Japan. But the episode hinted at a deeper British objection: a lingering aversion to foreign penetration of traditional British spheres of economic influence. When, in 1964, the Japanese, who bought approximately 12 per cent of Zambia’s output, expressed renewed interest in investing in the Copperbelt, the CRO, fearing the start of a serious incursion, opted for a deliberately discouraging response.

Both during its life, and subsequently, it has been argued that the financial structures of the Federation worked broadly to Northern Rhodesia’s disadvantage. During the period of Federation, Northern Rhodesia, it has been calculated, suffered a net loss of some £77 million in revenue, money which might otherwise have been invested in diversifying the territory’s economy, and particularly in developing African agriculture. The Monckton Commission drew attention to the fact that parts of the territory were no less in need of development than other parts of the Federation, and that Northern Rhodesia could ‘ill afford’ to divert its development funds elsewhere. This, perhaps, accounts for the importance attached to the development funding provided by the mining companies and offered by the BSAC. During 1960, for instance, the two mining groups had offered £1.3 million towards the development of African education in the Copperbelt. The AMC had already voiced its concern that the disparity in educational provision for European and African children would become a cause of ‘spreading criticism’, and that neglecting the African young would leave them dangerously susceptible to ‘demagogues’. The rationale for expenditure by RST was that it would foster improved race relations, and equip Africans to undertake the kind of work which the policy of advancement would make available to them. Such assistance from the mining industry was especially important at a time when Britain’s capacity to provide development aid was being questioned in Whitehall, and when uncertainty about the political future had shaken the confidence of external investors. The mining companies were naturally
anxious to derive the maximum public relations benefit from their actions, and the Northern Rhodesian government appreciated this and was happy to assist. In the case of RST, a high-profile commitment to development aid was also a shrewd reaction to complaints in the early 1960s that an excessive proportion of the group’s profits was being repatriated to Britain and the United States.

Sir Evelyn Hone was nevertheless convinced that the territory’s needs could be met to a great extent from its own resources, if these were not diverted to Southern Rhodesia and Nyasaland. Endorsing the Monckton Commission’s view, and stressing the urgent need for accelerated development within Northern Rhodesia, Hone argued that this was especially the case if, as the Commission had implied, little time remained to convince African opinion of the economic advantages of Federation. Late in 1960, with a constitutional review in the air, UFP members of Northern Rhodesia’s delegation to discussions in London argued that the announcement that a review was to take place was most damaging to commerce and trade in the territory. They pointed to the example of Kenya, where a new constitution had led investors to withdraw their money. With economic growth essential to meet the needs of an expanding population, investor confidence had, allegedly, been shaken by African nationalist demands for majority rule. Equally, according to the UFP, reports that the British government had been asked to guarantee the pensions of Northern Rhodesian civil servants suggested that the territory was moving towards a political system similar to that found in some independent African states, providing yet another source of investor pessimism. Macleod, in response, rejected the claim that the British government was to blame for a loss of confidence in Northern Rhodesia, citing a recent Financial Times article which had suggested that European and African leaders ought to consider their contribution to the investment climate. Soon after the publication of the Monckton Report, the Northern Rhodesian government was keen to see each territory of the Federation becoming financially self-sufficient, controlling its own sources of revenue. In the government’s view, the current system, with Northern Rhodesia in effect subsidising the two other territories, would have to end if the Federation were to survive. However, if these proposals were implemented, then the Federation’s credit-worthiness seemed bound to be seriously affected, and the Federal government would be deprived of the overall economic control advocated by the Monckton Commission. Nevertheless, Lusaka’s desire to secure meaningful autonomy can be explained by its own development plan for the period
1961–5, described by an inter-departmental group in Whitehall as ‘ambitious’ and costly, requiring some £30 million. In its original form, the plan was concerned primarily with public services and utilities, and with the development of African services, especially improvements in African agriculture.\textsuperscript{115}

The economic context of increasing political devolution was underlined repeatedly by the authorities in Lusaka. Late in 1962, for example, the Acting Governor stressed that any development which suggested to the outside world that Kaunda’s position as UNIP leader was in any way ‘precarious’ might have serious consequences for investment in Northern Rhodesia.\textsuperscript{116} Sir Roger Stevens, head of Butler’s group of Advisers, had already concluded that Kaunda’s views on future economic association were more ‘sensible’ than those of any other prospective African leader in Northern Rhodesia, and, citing recent discussions between Kaunda and Prain, considered that there was more to be gained from cultivating Kaunda than by ‘cold-shouldering’ him, and forcing him into the arms of UNIP ‘extremists’.\textsuperscript{117} Kaunda was at pains to send reassuring signals about the territory’s future. During a Legislative Council debate on secession from the Federation, early in 1963, he had emphasised that the European community was valued not only because of its capital and expertise, adding that he hoped that not only whites but also the territory’s Asian community would opt to remain in the territory after independence.\textsuperscript{118} Such signals remained necessary, as there were growing indications that the ‘lower echelons’ of both UNIP and the ANC were becoming difficult for their leaders to control. In Western Province, for instance, it was reported that UNIP, with the approval of at least some members of its Central Committee, was assembling ‘intimidation gangs’, to be used in ANC strongholds elsewhere in the territory.\textsuperscript{119} Yet it was precisely this kind of persistent, low-level violence from which, in the interests of a smooth transfer of power to its favoured candidate, the British government was inclined to avert its gaze.\textsuperscript{120}
7
The Mining Industry and Zambian Independence

The mining companies and decolonisation

The rapidly changing political climate within the Federation after 1959 obliged the mining industry to consider its position in the light of Northern Rhodesia’s likely achievement of independence. Given their past differences over matters such as African advancement and measures to regulate production, their different controlling interests and their distinctive styles of business leadership, it was always possible that the groups’ responses to the decolonisation process would diverge. For most of its life, the Federation appeared to enjoy the full and whole-hearted support of the RST. The Group’s chairman, Sir Ronald Prain, was on first-name terms with Sir Roy Welensky, who replaced Sir Godfrey Huggins as prime minister in 1957.¹ Late in 1957, Prain privately declared his solid support for the UFP, while explaining that he tried to avoid the political limelight within the Federation.² Early in 1958, Prain seemed keen to lend Welensky his support, given that the impending Southern Rhodesian election was complicated by the ousting of Sir Garfield Todd by his party. Prain concluded that the most practical assistance he could offer was to work to restore copper prices, and so ensure the Federation’s continuing prosperity.³ Soon, however, there were rumours in Salisbury that Prain was actively supporting the United Rhodesia Party, the group resuscitated by Todd and six fellow members of the Southern Rhodesian legislature, to contest the general election. Sir William Murphy, a former acting Governor-General of the Federation, and an RST director, had, in May 1958, accepted the chairmanship of the URP. The Hochschild brothers had been interested to hear of this, and professed sympathy for Todd’s aims and a desire to help him.⁴ In the event, the URP failed to win a single
seat, although it had been expected to hold the balance of power in the new assembly. Welensky, who espoused a policy of ‘evolution, not revolution’, told Prain that he had on several occasions denied that Prain was supporting the URP. Having maintained publicly that Prain supported no political party, Welensky urged Prain to quash these rumours. In yet another example of the rumour-mongering which infested Federal politics, Prain was obliged to deny speculation that former governor Sir Arthur Benson, still unpopular among local Europeans, was returning to the Federation to become a member of RST’s Board. Declaring that such an appointment had never entered his head, Prain added, significantly, that Welensky was likely to hear ‘all sorts of rumours’ about Prain. It seems possible that Welensky was being prepared for the dramatic shift in position RST would announce as 1959 unfolded. Also in January 1959, writing shortly before the Emergency was declared, Prain restated the by now familiar theme that his job was to stay out of politics and to concentrate on business. He had, nevertheless, striven to depict the Federation in positive terms, both at home and abroad, and took credit for much of the impressive inward investment into the Federation, and for his Group’s willingness to increase its own investment. However, Prain went on, he had in recent years found politics intruding increasingly into economic discussions. Specifically, he found it difficult to exclude the Federation’s political future from such discussions. While he had backed Welensky publicly, both in London and before such prestigious US groups as the Council on Foreign Relations, Prain now felt he needed to ask what steps the Federation was going to take to make ‘partnership’ a reality. In terms which, strikingly, anticipated Macmillan’s ‘Wind of Change’ speech, delivered just a year later, Prain warned that ‘Africa is on the move and nationalism, however much we may dislike it, is running wild and, in my opinion, several European communities in Africa will disappear’. Declaring that he hoped the Federation would seek to work with the emerging African political movements, he nevertheless identified the key problem as being how to make ‘partnership’ a reality. Taking the example of advancement in the copper industry, Prain felt that opportunities would be created, provided the economy continued to expand, hence his particular concerns about the impact a recession would have in the Federation. While the outlook for copper was improving, the industry would need fresh investment, most of it from overseas. Although he endeavoured to reassure potential investors about the Federation’s prospects, Prain felt that much thought was needed about its immediate future, especially about the extent to
which Africans would be involved in the process of government. Prain identified a circular problem: unless economic development continued, the Federation might face political troubles, in which case the investment needed to promote economic expansion would not be forthcoming; yet the confidence of investors, in Prain’s view, depended largely on political rather than on economic development. Even before the independence of the Belgian Congo, Prain feared that the situation there would reverberate throughout Central Africa. He thought it ‘unfortunate’ that the Belgian government had announced independence for the colony only one week after rioting there, even though the proposals to withdraw had been discussed over several months. As would become a common European refrain in the years to come (not least from Welensky), Prain conjectured that the ‘simple African mind’ would inevitably conclude that violence was rewarded quickly with political concessions. While professing confidence in the Federation’s future, he hoped that concessions could be given to Africans ‘before it is too late’.8

Following the declaration of the Emergency in Nyasaland, and with the emergence of Kaunda as a serious rival to Harry Nkumbula among the African nationalist leadership, Prain decided that the RST would have to re-examine its political stance. Having previously supported both the Federation and the UFP, Prain began to have serious misgivings about the Federation’s political leaders. The RST, with shareholders based in Britain, and to an even greater extent in the United States, decided to cease supporting any one political party. Meeting Welensky in May 1959, Prain explained his Group’s decision, based on the reluctant conclusion that the Federation had failed to achieve its major goals. Attempting to sweeten the pill, perhaps, Prain suggested that Welensky’s position was not helped by the ‘well-known’ fact that he had enjoyed the mining companies’ support, and that he would be in a much stronger position if he were seen to be completely independent of any vested interest.9 By summer 1959, Prain’s ideas on the Federation’s future were crystallising. By this stage, if not earlier, he had been able to discuss the problem at length with Macmillan. By August 1959, as he told Britain’s High Commissioner in Salisbury, Prain had decided that it was no longer adequate for business to bolster the Federation through support for Welensky and the UFP and by improving African economic conditions: the core African aim, it seemed to him, was to be consulted when their interests were affected, and to have a greater involvement in government at all levels. In contrast with other parts of Africa, the Federation under the UFP was, he felt, moving too slowly
(for example, the Southern Rhodesian legislature still had no African member). For this reason, RST was ‘pulling out’ of politics, and, like RAA, had withdrawn its financial support to the UFP (amounting, in RST’s case, to some £5,000 per year, sufficient to pay the salary of the party’s secretary). If politicians could not build bridges with emergent Africans, then business must try. Prain therefore intended to leave to others what had hitherto been his chief task (organising the world copper market), and to busy himself identifying emergent Africans, regardless of their politics, and to try to get to know them and gain their confidence. Big business, he argued, must always co-operate with the strongest prevailing political force, and it was inevitable that political power would shift fairly rapidly from the European to the African in Northern Rhodesia and Nyasaland. In Prain’s view, both Banda and Kaunda, then still in detention, might yet become the ‘strong men’ in their respective territories, therefore big business had to demonstrate, while time permitted, its willingness to accept such figures on equal terms, and not wait until it was forced to do so. Since time was running out, Africans must be brought into the real business of organising and running the community. The High Commissioner, who endorsed these views and was impressed by Prain’s sincerity, concluded that ‘Prain is likely to get results if anyone can’.

In striking contrast to Prain, who emphasised the primacy of politics, Welensky, in his presidential address to the UFP Congress in September 1959, declared that he had ‘never’ departed from the belief that social and political advancement meant ‘nothing’ in terms of a good life, unless accompanied by economic development and economic opportunity. While Welensky was still wedded to the wartime, gradualist ethos of ‘development’ (refracted through the prism of settler priorities), with its conveniently vague timetables, Prain’s thinking in effect anticipated shifts in London’s thinking, involving the telescoping of previously set timetables and the reversal of the earlier emphasis on economic, rather than constitutional development which was the hallmark of British decolonisation, particularly associated with the ‘Wind of Change’ policy revolution initiated during 1959. Nor were Prain’s ideas confined to the realm of abstraction: among the suggestions he made to achieve greater African involvement in business was to persuade his fellow directors to appoint an African to the Board of RST. This suggestion was warmly endorsed by Sir Evelyn Hone, who thought a Chief would be an appropriate choice, and recommended Chief Mwase Lundazi of Lundazi. Although discussions on this proposal continued, by the time of independence RST was relieved that it had not taken...
any action. Virtually all those considered had proved, ultimately, to be ‘persona non grata’ politically, and such apparent ‘tokenism’ was increasingly repugnant to African nationalist leaders. The contrast here between experiences in Northern Rhodesia and West Africa is striking: in the latter, the appointment of African directors from the 1950s onwards was an important component of the localisation strategy of business, helping to forge useful links between firms and African elites. In Northern Rhodesia, perhaps, the suggestion came too late: by 1959, when it was mooted, the priority for business was to establish direct links with nationalist leaders, not to cultivate conservative chiefs who might have been more to the taste of the still cautious colonial government.

Until late 1959, Prain’s thinking on developments in Central Africa, and their implications for the mining industry, had been confided chiefly to ministers and officials. But in his October Chairman’s statement, he took the opportunity to address a wider audience, and to attempt to shake the region’s Europeans, especially in Southern Rhodesia, out of their apparent complacency and ‘isolationism’. Referring to that year’s political disturbances, he noted that the Copperbelt had been relatively quiet, and thought that steps previously taken to promote African advancement might have contributed to this, together with the fact that discussions between the mining companies and the MWU on creating more opportunities for Africans were imminent. Prain also restated his view that economic development alone was not the key to the Federation’s problems, as recent events had demonstrated. Given the value attached by Africans to political and social progress, it was ‘essential’ that political development in all three territories should not lag behind economic advances. Prain drew attention to the overwhelming concentration of political and economic power in the hands of Europeans, although they comprised less than four per cent of the population. Africans were ‘constantly’ pressing for a greater share of this power, and would, in Prain’s view, eventually succeed. It was vital, he argued, that Africans should achieve this with European goodwill: continued growth would require the abandonment of ‘obsolete’ restrictive practices. While asserting the political independence of the RST Group, Prain endorsed the concept of Federation, and still hoped that Africans in each territory would accept that their long-term interests would best be served.
by accepting the Federation. This, however, would hinge on Europeans demonstrating that partnership was a reality.\textsuperscript{16}

While this statement could be viewed as an adroit exploitation by Prain of the political situation as a pretext for the renewed advocacy of African advancement, it was welcomed by the liberal press in Britain, where \textit{The Guardian} praised its ‘tactful but firm guidance’ to the governments of Central Africa, which was likely to have more effect on the lives of the local population than anything the Monckton Report was likely to achieve.\textsuperscript{17} Within the Federation, however, there was some vocal hostility towards Prain’s remarks. The Dominion Party Federal MP Humphrey Wightwick described Prain as a ‘self-appointed statesman’, attempting to bring pressure on the authorities ‘through the sheer power of money’.\textsuperscript{18} Further criticism came from the Acting General-Secretary of the MWU, Emrys Williams, who accused Prain of attempting to prejudge the outcome of forthcoming negotiations on advancement. He suggested that in view of the ‘relatively subordinate role’ of the RST companies on the Copperbelt, Prain might have paused to consider the ‘possible adverse effects’ on the interests of the ‘major’ group, that is RAA.\textsuperscript{19}

Prain’s willingness to establish contact with African nationalist leaders evoked some misgivings among the authorities. Hone, for example, thought that contact with Banda was a different proposition to contact with Kaunda, ‘a convicted criminal’. The Zambia African National Congress, which had split from the ANC in 1958, was banned in 1959, and its leaders, Kaunda and Munukayumbwa Sipalo were imprisoned. The United National Independence Party was formed in August 1959 to take its place, and it was expected that Kaunda would assume its leadership when he completed his prison sentence in January 1960. While supporting Prain’s broad aim of promoting partnership, Hone was cautious about how these contacts should be made, and with whom.\textsuperscript{20} However, the response in Whitehall to Prain’s activities, and to his belief that if the mining companies were to maintain their concessions indefinitely, they had to come to terms with African nationalism, was more positive. Within the Commonwealth Relations Office, for instance, he was seen as having a clearer view of the future of Northern Rhodesia ‘being increasingly under African control than most other Europeans in the Territory’.\textsuperscript{21} Moreover, Prain’s strategy was successful: he established a close and cordial relationship with Kaunda. Shortly after Zambia’s independence, Kaunda addressed RST’s Directors after a lunch they had given in his honour. Paying warm personal tribute to Prain, Kaunda noted that at a time when he had still been a
‘minor nationalist politician’, ignored by the government, Prain had sought him out and discussed major political and economic questions with him. It was from Prain, added Kaunda, that he and his colleagues had learned the virtue of ‘reasonable negotiation’.22

Prain enjoyed very close links with key political figures in Britain, allowing him to lobby ministers directly and exchange ideas on Northern Rhodesia’s future.23 Late in 1959, when Macmillan was preparing for his momentous African tour, to commence in the New Year, during which he would make his historic ‘Wind of Change’ speech, Prain was invited to discuss the situation in the Federation with the prime minister. Others present included Home and Iain Macleod. Macleod, who described Prain as a ‘very acute observer’ of the local scene, whose judgements were ‘sound’, came away convinced that it was necessary to move forward with constitutional development in Nyasaland ‘as soon as possible’.24 Shortly afterwards, Macmillan would make his celebrated comment that the ‘Africans are not the problem in Africa, it is the Europeans who are the problem...’ 25 These links with the Macmillan government would continue and develop. For instance, when Macleod visited Northern Rhodesia in March 1960, he was urged by Prain to initiate discussions on the territory’s constitution.26 As early as April 1960, it was reported in the African press that RST was making contingency plans to deal with the possible disintegration of the Federation, involving the return of the Group’s head office to Lusaka. Prain was said to have had several meetings with Kaunda, although UNIP officials refused to comment on this.27 RST itself subsequently denied these claims. In fact, Prain had formed a high opinion of Kaunda, regarding him as a much better prospect than Harry Nkumbula of the ANC, sharing London’s view that the latter was ‘far less stable’.28 Not only did Prain warn the British government that unless it offered Kaunda the concession of talks on Northern Rhodesia’s constitution, he might lose ground to more radical elements within UNIP, but Prain also played a strategic role in bringing Kaunda together with British officials for talks, thus assisting that process of reevaluating a major nationalist figure which was another familiar feature of Britain’s approach to decolonisation.29

The importance to London of having access to first-hand assessments, such as Prain could provide, was possibly heightened by the fact that the Northern Rhodesian government sometimes seemed reluctant to send up-to-date information to Whitehall. Within the CRO, this was attributed to the years of UFP rule, when settler politicians had attempted to run the territory as far as possible on ‘Southern
Rhodesian’ lines, expressed in an impatience with Colonial Office ‘interference’ and control. Aggravating this, it was thought, was the poor quality of some of the colonial state’s personnel, and Lusaka’s recent problems in competing with other colonial governments for the most able recruits. Such was the regard which the British government had for his opinions that Prain was asked by Macleod to report on the situation in Northern Rhodesia, following a visit Prain made in June 1960. Prain judged that the situation had calmed considerably, but that it could once again become volatile quickly, if either Europeans or Africans acted irresponsibly, or if the government, large companies or nationalist leaders made ‘ill-considered’ statements. The key dilemma, one so familiar during decolonisation, was that African leaders seemed unlikely to retain their positions if they advocated moderation too strenuously, or if they adhered to an ‘orderly’ timetable of constitutional advance. ‘Moderate’ African leaders therefore had to be able to demonstrate that their tactics produced results, or they would be supplanted by ‘extremists’, ‘as elsewhere in Africa’. Unfortunately, once violence was replaced with moderation, European populations were inclined to become complacent, ignoring the urgent need for the concessions necessary to reinforce African moderation. Unless concessions were forthcoming, Prain feared, there would be fresh disorders. Macleod thought Prain’s comments ‘profoundly true’, especially in Northern Rhodesia, describing the problem Prain had identified as ‘the heart of our troubles’. In contrast, Home, while grudgingly conceding the point of Prain’s argument, felt that white opinion had come a long way in recent months. Oddly, he attributed this to wider regional developments, such as recent events in South Africa and the Congo, which might have been interpreted as being more likely to have hardened white opinion. Home felt that Europeans in Central Africa were willing to see ‘pretty rapid’ constitutional advance in the Northern Territories, and that they would accept African governments in them within a decade.

Prain’s had been one of several names considered in Whitehall during summer 1959 for membership of the Monckton Commission. He was eventually excluded, apparently because he was thought to be too closely associated with key interests in Northern Rhodesia. Nevertheless, he gave written and oral evidence to the Commission, in which he endorsed the idea of Federation but regretted that the way it had been created had deprived it of African support. To survive, he argued, the Federation must change. Since the majority of the population was no longer content with economic advance, these changes
must include a radical overhaul of the franchise system (though, signifi-
cantly, not necessarily leading to ‘one man one vote’), and the 
Federation must assume a looser, more devolved form.35 Accepting that 
not all would be content with the Monckton Report, Prain believed that 
its underlying principles should be supported by those who wished the 
Federation to continue, and that this was in the best long-term interests 
of the population as a whole.36 Regarding the report as ‘one of the few 
realistic documents to appear in relation to these territories’, he empha-
sised the importance of injecting a sense of urgency into the process of 
reform. Once again using his annual statement as a convenient platform, 
Prain drew from the deepening Congo crisis the moral that paternalism 
was irrelevant to Africa. While ‘premature’ independence for colonies was 
unwise, he argued that indigenous peoples should be advanced as rapidly 
as possible in government, the civil service, the military and the 
economy, to prepare them for the unprecedented responsibilities they 
would ‘one day’ inherit.37

Inevitably, Prain’s very public identification with the cause of wider 
African participation would attract hostility. In the wake of the Monckton 
Report, Welensky, detecting enemies all around him, asked his Finance 
Minister to establish whether Prain was a Federal citizen, and where he 
paid his taxes.38 Shortly afterwards, RST was accused in the Federal 
Assembly of meddling in politics by assisting groups actively hostile to the 
Federation. Prain was stung into complaining to Welensky that these alle-
gations had gone unchallenged, despite Prain’s personal explanation in 
1959 that his companies had decided to support no party.39 As the crisis in 
Central Africa deepened, Prain’s views became even more forthright. In his 
1961 Chairman’s statement, for example, he declared:

The determination of indigenous peoples to assume an increasing 
share in the political affairs of their countries is one of the strongest 
human and political forces of the 20th century, perhaps the out-
standing historical feature of our times. It is a factor which must be 
faced squarely, and dealt with realistically if changes are to occur in 
an orderly manner.40

A year later, shortly before the elections which would bring to power 
an African government in Northern Rhodesia under Kaunda’s leader-
ship, Prain predicted that whatever the outcome of the election, it was 
inevitable that the wishes of the African population would ultimately 
prevail, and that they would steadily come to be the ‘controlling force’ 
in the territory’s government.41
While the RST clearly adjusted pragmatically to the advent of mass African nationalism, and strove to create a good working relationship with the post-colonial successor regime, it would be wrong to infer that the Group felt no need to take alternative action to safeguard its business interests. One option was to increase its investments outside Northern Rhodesia. For instance, during summer 1961, Prain sought the advice of the Foreign Office and the Colonial Office on whether RST should participate in a mining concession which General Mining, a South African firm, had recently concluded with Tshombe in the Congo. The concession was to explore the pedicle of Katanga, adjoining Northern Rhodesia, and RST was being asked to take a ten per cent interest. Tshombe was to receive a 25 per cent share in the proceeds of the undertaking. In response to prodding from Prain, the Foreign Office admitted that such an arrangement with Tshombe might involve risk, as well as be potentially embarrassing to the British government, especially if, as a result of British participation, Tshombe felt encouraged in his separatist tendencies and tried to claim British support for them (that is, to protect the British interest in the concession). While Prain appeared to officials to be ‘lukewarm’ to the idea, he also implied that participation might be useful, so as to secure better information on conditions in a part of Katanga closely adjoining Northern Rhodesia.42 The Commonwealth Relations Office, however, judged it potentially embarrassing to London for a company based in the Federation to be involved with the Katanga regime, while the United Nations, with British support, was trying to secure Katanga’s acceptance of the authority of the Leopoldville government. Moreover, Commonwealth members, such as India, Ghana and Nigeria, might think Britain was trying to ‘run with the hare and hunt with the hounds’.43 Also in 1961, with the political situation in Northern Rhodesia inhibiting fresh investment in the copper industry, the RST contemplated using some of the profits it earned in the Federation and investing these in Chilean copper mining as part of a wider bid to establish itself as an international mining house, and so reduce the Group’s dependence on its Northern Rhodesian assets. Although, according to Prain, these moves had Welensky’s blessing, it was the introduction of exchange control as an emergency measure by the Federal authorities which frustrated this initiative.44 The American Metal Company was similarly keen, from the late 1950s, to reduce the importance of its operations in Africa, and had considerable success in developing new interests in the United States. Yet it encountered difficulties in disposing of its holdings in RST on acceptable terms,
because to announce that this was the company’s aim might have weakened confidence on the markets, seriously depleting the value of its shareholdings.\textsuperscript{45}

In attempting to account for RST’s ‘progressive’ attitude towards political change in the Federation, attention has focussed on the influence of American opinion. Indications that elements within the US mining industry understood the need to adapt to changing political conditions in host countries long predate the era of decolonisation. Thus, according to his biographer, Chester Beatty had long accepted that it was only a matter of time before mining companies would have to accept this. Similarly, before the First World War, Beatty’s colleague, the mining engineer and future American president, Herbert Hoover, had warned publicly that one of the first acts of indigenous governments of ‘emerging’ nations would be to assume sovereign rights over natural resources and to control their exploitation.\textsuperscript{46} Until 1961, American Metal Climax, or AMAX, (the product of the merger in 1957 of American Metal Company and Climax Molybdenum), had a majority shareholding, and thereafter a 46 per cent stake in RST. Through its holding in RST, AMC also had an indirect interest of 28 per cent in three of the four RST mining companies. By 1963, the total US stake in RST was some 60 per cent.\textsuperscript{47} The AMC became renowned for its early identification with the cause of African independence. In or around 1953, that is at approximately the time that the Federation was created, Walter Hochschild, the President of AMC, was reputed to have told O.B. Bennett, then Anglo American’s manager of Rhokana, but subsequently a Federal minister, that power always passed ultimately to the indigenous people of any country, and that his company, the largest shareholder in RST, therefore intended to accommodate itself to this and to adjust its policies accordingly.\textsuperscript{48} In 1951, showing remarkable prescience, Hochschild had predicted the rapid growth of African nationalism in Central Africa, foreseeing a dominant African political role in Rhodesia.\textsuperscript{49}

In its annual report delivered in March 1960, AMAX emphasised that through their progressive policies towards employees and the community, the RST companies were doing their part to implement the Federation’s basic concept of multiracial partnership, from which would arise ‘greatly extended’ African partnerships in politics, together with measures against discrimination and restrictive practices. Moreover, when Kaunda visited the United States in April 1960, Harold Hochschild, a leading AMAX director and the company’s honorary chairman, openly supported UNIP.\textsuperscript{50} Privately, Hochschild saw parallels
between the situation in the Federation and that in pre-revolutionary Cuba. In Cuba, as in the Federation, the country had been dominated by one man who was ‘distrusted and disliked by the great bulk of the people’. In Cuba, big business, largely American, had backed Batista, and was now paying heavily for ignoring popular sentiment. For Hochschild, this emphasised the ‘wisdom’ of the course Prain had adopted in the Federation.51

Similarly, in May 1961, while Northern Rhodesia’s constitutional future was still being discussed, an AMAX spokesman told a Committee of the US Congress that RST was readying itself to operate under a black African government.52 In the same month, Walter Hochschild told his annual stockholders’ meeting that AMAX did not share the ‘pessimism’ expressed in some quarters regarding Africa, largely because of the situation in the Congo. Emphasising the great divergence of conditions to be found in Africa, he highlighted Northern Rhodesia as a ‘hopeful’ example, where ‘energetic steps’ were being taken to prepare for African advancement. Like Prain, Hochschild took a robust public line in the prelude to Northern Rhodesia’s elections in October 1962, hoping that the outcome, which would almost certainly be a ‘substantial representation’ of the African population, would reduce the tensions which had accompanied the ‘past frustration of their legitimate demands for adequate participation in their own government’, and lay the foundations for greater political and economic participation generally.53 An advantage which RST may arguably have enjoyed in dealing with political shifts in the Federation was that the Group could draw on the earlier experiences of big businesses facing the challenge of decolonisation elsewhere in Africa. By the time that political instability began to affect the Federation, expatriate mining companies in the Gold Coast (Ghana), for example, had had a decade’s experience of working with African nationalism. A variety of strategies had been evolved and tested, some more successfully than others, ranging from attempts to improve the firms’ public image, to efforts to secure distinct political representation for business in the legislature.54 Among the firms most affected by developments in the Gold Coast was Consolidated African Selection Trust, a member of the Selection Trust group registered in London, and the firm which had originally created RST in 1928. Although Selection Trust no longer had a direct interest in RST, it did have a 12.3 per cent holding in AMAX, and so had an indirect interest in RST.55 Moreover, Selection Trust was represented on the boards of both RST and AMAX, and continued to serve as RST’s London Paying Agents, and A. Chester Beatty of Selection Trust chaired
the London Advisory Committee of the Chibuluma, Mufulira and Roan Antelope mine companies. Numerous conduits therefore existed for the transmission of one mining group’s African experiences to the other.

In contrast to the liberal posture of the RST, RAA’s response to political change in the Federation has generally been seen as cautious and conservative. The Group has been seen as being slower than RST to accept the moral of the Monckton Report, clinging to the idea of ‘partnership’ even when the latter’s utility appeared to have been overtaken by events in Central Africa. Anglo American’s position in the early 1960s seemed to be characterised by a fundamental reluctance to accept that the component territories of the Federation were destined to follow the political trajectory already established for Britain’s other African territories. This has been explained largely in terms of the firm’s ownership and distinctive pattern of investment. Above all, perhaps, the key to RAA’s behaviour was that the firm’s centre of gravity remained in South Africa, and so it was obliged to consider the effect of developments in Northern Rhodesia on Anglo’s wider regional interests, and, specifically, the impact which developments in Central Africa might have on the pattern of industrial relations in South Africa. In terms of practical policy, this meant, for example, that RAA was reluctant to provoke the MWU, or to do anything which might undermine the European position in Central Africa. Quite simply, it could be argued, Anglo American had a larger stake in the Federation than did RST. This may explain, in part, why the group was content to let RST take the lead in pursuing advancement from the early 1950s onwards. On the other hand, the Group was at pains to assert that it was firmly grounded in Northern Rhodesia, and not subservient to South African interests. The Anglo American Corporation, it was argued, had no major shareholding in Rhodesian Anglo American, which was a Northern Rhodesian company. Admittedly, AAC provided various administrative, technical and secretarial services to the financial and operating companies within the entire Anglo American group. Nevertheless, according to Anglo American, AAC had always accepted that the operations and policies of the companies which formed the Group must be responsive to the needs of the countries in which they did their business, and so policy decisions of AAC which affected the operating companies were taken in that light. Another possible explanation of Anglo American’s behaviour was that the Group was closely connected to the overtly conservative BSAC. For example, each company had four directors on the other’s Board, and Anglo American
owned an undisclosed interest in BSAC. Moreover, the two organisations shared office accommodation and other facilities, and BSAC had a 55 per cent stake in Chartered Exploration Ltd, which conducted all prospecting work for the Anglo American group. Yet there are grounds for questioning how far RST and AAC occupied fundamentally different positions, and how far their political attitudes diverged ‘sharply’, as has been claimed. Like, RST, crucially, RAA elected to end financial support to the UPF in 1959, a move of practical as well as symbolic significance. An increasingly complex operating environment in the later 1950s seems to have encouraged a partial closing of ranks between the two groups. In the private opinion of an unnamed RST Director, for example, whereas his own Group’s practice on the Copperbelt in relation to African advancement had not been as praiseworthy as the Group liked to claim, Anglo American’s practice had actually been better than might have been inferred from the Group’s cautious public statements on the subject. The same Director had also given RAA credit, with their longer experience of dealing with African labour, for having pioneered the way in Northern Rhodesia, giving RST a useful example to emulate. Surprisingly, this had encouraged the view in Whitehall that many commentators in Northern Rhodesia, including government officials, might agree that Anglo American had been more progressive in its labour and social policies than RST. Much was made, equally, of the comparatively liberal position taken by Harry Oppenheimer in South Africa, particularly the financial backing he had given the Progressive Party, formed in 1959 to challenge apartheid policies and to promote multiracialism. Similarly, according to Prain, Oppenheimer, already a key figure in the dwindling white liberal community in South Africa, ‘thoroughly approved’ of Prain’s efforts at bridge-building with Northern Rhodesian African politicians and others during the second half of 1959. Yet, in public, RAA’s position remained conservative long after RST had publicly embraced the onset of decolonisation. Typical of this caution was Oppenheimer’s annual chairman’s statement in 1960. Conceding that the time had passed when Europeans could afford to ignore the interests and wishes of Africans, he nevertheless stressed that in all territories in which Anglo American had interests, the races were interdependent for their safety and welfare. Similarly, on the Federation, Oppenheimer commented in 1961 that he continued to believe that the Federation, ‘given proper encouragement, constructive criticism and time, has a great chance of creating a genuinely non-racial society with a prosperous economy’. Significantly (like Welensky, and in con-
trast to Prain’s remarks in 1959), Oppenheimer emphasised the importance of developing the territories’ resources, so as to raise living standards.\textsuperscript{64} This central message was repeated in Oppenheimer’s annual statement two years later. A thread of concern is apparent in the Group’s thinking. At the beginning of 1962, for example, Anglo American was reported to be uneasy about Northern Rhodesia’s constitutional future, and, somewhat tardily, to be turning its thoughts to the problem of safeguarding its interests in the territory in the event of an African-led government coming to power. Of particular concern were UNIP’s recent threats to implement the third stage of its ‘master plan’, with the implied threat of industrial unrest, especially on the Copperbelt. The Group’s General Managers were reported to have met in Salisbury on 9 January, to discuss this problem. One suggestion to be aired was that the Group should seek a High Court injunction against Kaunda, restraining him from precipitating strikes (the logic being that in the event of stoppages, Kaunda would face imprisonment). Sir Evelyn Hone was unenthusiastic about this potentially inflammatory proposal, believing Anglo American should be cautioned against such a move. He hoped that the Group’s decision to appoint a Resident Director in Lusaka would ensure improved co-operation between RAA and the Northern Rhodesian government.\textsuperscript{65}

A particularly striking example of Anglo American’s slow adaptation to political change is the fact that Oppenheimer did not meet Kaunda until late 1962, a full three years after Prain’s first meeting, and after the territorial elections which would guarantee the formation of an African government, suggesting that Anglo may have been ‘hedging its bets’ politically, awaiting developments before committing itself too firmly to any particular nationalist grouping. In talks arranged in Lusaka by the Acting Governor, Luyt, Oppenheimer explained that he was considering increasing Anglo American’s investments in Northern Rhodesia in the near future. In particular, to have effective control over the BSAC’s policies, he was exploring the possibility of increasing his Group’s stake in it. If he succeeded, he planned to make ‘drastic changes’ in Chartered’s outlook and investment plans, ensuring that the company became associated with the territory’s future development in a ‘major’ way, no longer creaming off the bulk of its Northern Rhodesian profits to be invested safely in other countries. Moreover, he hinted that Anglo American, and possibly De Beers too, might also make ‘substantial’ investments in the territory. Among the specific projects Oppenheimer mentioned was a planned fertiliser factory in Livingstone, for which Anglo American and Chartered might
contribute most of the necessary £8 million capital. He emphasised, however, that he would need to be confident that political conditions in the territory were stable, and that Chartered, despite its ‘very unhappy’ current reputation in Northern Rhodesia, would be welcomed by future African nationalist governments. As Luyt noted, Oppenheimer was ‘obviously’ evaluating Kaunda, and appeared to be more impressed than he had expected to be. However, Oppenheimer was assuming that he was dealing with the ‘undisputed leader’ of African nationalism in Northern Rhodesia, and it was therefore vital that this impression of Kaunda should not be damaged in the near future. Despite this promising development, Anglo American’s apprehensions were not entirely dissipated. In March 1963, for instance, Oppenheimer was reported to be deeply concerned about developments in the Federation, especially in Northern Rhodesia. It was also reported, early in 1963, that one of the mining groups (presumably Anglo American) had offered funding to a splinter group within the UFP, which, while resigned to the disintegration of the Federation, sought an alliance with Nkumbula’s ANC against Kaunda, leading Kaunda to threaten to dissolve the coalition and call fresh elections. Similarly, RAA’s continuing anxieties surfaced in Oppenheimer’s 1963 annual statement, which emphasised that it would be ‘most unfortunate’ if political considerations were allowed to destroy the mutually beneficially economic links the Federation had brought to the Rhodesias and Nyasaland. Moreover, a decade after RST had taken the initiative over African advancement, Anglo American’s public position on labour questions remained hesitant. While conceding that it was ‘natural’ that the new Northern Rhodesian government should wish to see a greatly increased number of Africans in senior industrial positions, and stressing the efforts RAA was making through training programmes, Oppenheimer warned that ‘localisation’ policies must have regard not only to efficiency, but also to the interests of existing European employees. Whatever differences existed between the two mining groups, both quickly concluded, following Kaunda’s election victory late in 1962, that they must move their head offices from Salisbury to Northern Rhodesia, since it was now clear that the Federation’s days were limited.

Lagging far behind the two copper mining companies in its willingness to embrace political realities in the last years of the Federation was the BSAC. Long after RST and Anglo American had disengaged from Welensky and the UFP, Chartered doggedly maintained its support for the doomed political establishment in Salisbury. Among the reasons
for the company's deep unpopularity in Northern Rhodesia was the fact that, apart from its holdings in the copper industry, it had not reinvested in the territory any significant proportion of the revenues it had earned there, and the suspicion that the company had given financial help to parties opposed to African nationalism. Unrepentant and unapologetic, the company eschewed the techniques of public relations already widely employed by big business. Only on the eve of the Federation's demise, following the appointment of a new President, did the company initiate a campaign to improve its image, particularly targeted at sceptical African opinion. Like the mining companies, BSAC showed a renewed interest in business diversification, while attempting to capitalise on the network of influential contacts it had developed over the years. Although the firm's behaviour at times smacked of complacency, there were, arguably, quite rational explanations for Chartered's desire to see the Federation survive for as long as possible. Under the 1949 mineral rights agreement (reinforced by Northern Rhodesia's 1958 Mining Ordinance), the company was guaranteed its lucrative royalty revenue until 1986: it seemed unlikely that any African successor regime would tolerate the persistence of this arrangement. Meeting Butler's team of Advisers in August 1962, Sir Frederick Crawford of Chartered voiced a curious blend of optimism regarding the general position in the Federation and pessimism on the BSAC's own future. While he expected that an African government in Northern Rhodesia would come to see that the mining companies would have to be left to manage their own operations, he thought it likely that higher taxes would be levied, and that the BSAC would be expropriated, although he still hoped for 'fair' compensation. Regarded by the British High Commissioner in Salisbury as a 'conspicuous and unfortunate exception' to the readiness of big business to adapt to political change and to meet African aspirations, the company's future remained, late in 1963, 'very obscure'.

The predominant economic power enjoyed by the two mining Groups meant that their attitudes and behaviour towards political development, and to the growth of African nationalism, would inevitably assume great significance in the story of Central African decolonisation. Their local power, centred on the Copperbelt, was immense, and, in addition to the critically important role they played in contributing to territorial revenues (both territorial and Federal), by the early 1960s they were providing basic amenities to some 35,000 Europeans and approximately one quarter of a million Africans. Yet the larger context of the Cold War made the activities of big business in
colonial Africa a particularly sensitive subject for the British govern-
ment, especially in the early 1960s, when Central Africa’s future was
being negotiated. Pressure at the United Nations, focussing on criticism
of what was coming to be known as ‘neo-colonialism’, offered the
Soviet bloc and China a most useful propaganda weapon both to
attack ‘Western imperialism’, and to appeal to a new, and growing,
Afro-Asian constituency. While the UN General Assembly was the
principal forum for these attacks, other gatherings of the Afro-Asian
states offered supplementary venues for criticism of Western economic
influence among developing countries, causing considerable concern
to the British government. A particular worry was the claim, fre-
quently aired, that a conspiracy existed between colonial governments
and big business to frustrate African nationalism. ‘Irresponsible’ attacks
at the UN, apart from being politically embarrassing to Britain, might,
it was feared, deter investors and so threaten the future development
of African states. This was the background to a study, initiated by
the Foreign Office, and conducted by several Whitehall departments in
1963, of the activities of big business in Africa. Originally suggested
by a member of the British UN delegation, the idea was to accumulate
the necessary ammunition with which to counter the anti-Western argu-
ments increasingly being deployed there. This, it was proposed, should
be done in close co-operation with the companies concerned, ‘since
it is in their interests, no less than Her Majesty’s Government’s,
to dispel Afro-Asian suspicions about British commercial activities in
Africa. To do this convincingly and soon is important for the future of
our commercial interests in Southern Africa’. The study included
Central African copper mining, and drew on written contributions
from RST and Anglo American. The purpose of this investigation was
not to defend the government of Northern Rhodesia (against which
there had been no allegations at the UN of impropriety in relation to
the business community), but rather to set out the facts about the
mining companies’ activities, to demonstrate how these activities
had benefited Northern Rhodesia (and the Federation), to correct mis-
representations of the firms’ activities, and so disarm possible attacks at
the next General Assembly, due to convene in September 1963. It was
concluded, however, that an outright defence of the companies might
be counter-productive, and that the firms were, in any case, well able
to defend themselves. In their joint submission to Whitehall, RST
and Anglo American stressed that they did not constitute a monopoly
within the mining industry. Although they co-operated on certain
matters, such as labour, through NORCOM, they were, they insisted,
wholly separate in structure, control and management. Both groups were keen to dispel the notion that external interests controlled their Northern Rhodesian operations.83

In Whitehall, the companies were seen as having given a lead to European opinion in their early recognition of the need to accept rapid African political advance, showing that they were ready to adjust to changing political conditions and the imminence of a transfer of power to full African control. On the other hand, while it was acknowledged that Kaunda had made reassuring noises about the importance of doing nothing to discourage investment, officials observed privately that the companies had had ‘no alternative’ but to co-operate with the new African government.84 The positive view taken of the copper companies by British officials was exemplified by the Colonial Office’s defence of their role in the Federation, where it was felt that they had exercised a ‘moderating and liberal influence’. Significantly, a contrast was drawn between the Copperbelt companies’ behaviour, and that of Union Minière in the Congo, which was thought to have exacerbated an already difficult situation.85 As a well-placed official commented: ‘The fact is that the companies have been largely responsible for lifting this part of Africa up by its own boot straps; through company taxation they have contributed on a large scale to current revenues, they have provided substantial development finance on their own initiative and at the same time have given great assistance in the field of social services.’86 This view was evidently shared by Kaunda, who told Hone that, in contrast with the position in ‘certain other countries’, relations between the Northern Rhodesian government and UNIP on the one hand, and the mining companies on the other, were ‘highly satisfactory’. Kaunda made clear that he had no intention of joining in the current ‘witch hunt’ against RST and Anglo American, and agreed that it would be untimely and unfortunate if an attack on them were to be mounted at the UN. Moreover, he promised to discuss the subject with Dr Julius Nyerere, a leading figure in the emerging Afro-Asian ‘bloc’, in Dar-es-Salaam and to bring to bear what influence he could to prevent this from happening. In September, Kaunda did as he had promised, and left Tanganyika convinced that Anglo American’s name was in ‘good standing’ with Nyerere. Neither man anticipated a move against the mining companies in the forthcoming session of the General Assembly.87 Significantly, Hone had not raised this matter with Nkumbula, whom he regarded as having no influence with key figures in the Afro-Asian group, and who might misuse any information he was given to develop a ‘spurious’ image of himself as a
champion of African interests against the ‘machinations’ of the mining groups. In sharp contrast to their high opinion of the mining companies, officials in Whitehall recognised that the position of the BSAC was vulnerable, its almost parasitical role being seen increasingly as an embarrassment, ‘and the less we say about it in public the better’.

The threat of nationalisation

It has been argued that although they were apparently vulnerable to the consequences of colonial political change, mining companies were in fact relatively secure, because of the ‘enormous’ bargaining power they could expect to have in relation to any successor regime. This power derived from their contribution to export earnings and government revenue, together with their indirect economic role through the re-investment of profits. According to at least one commentator, decolonisation actually enhanced the position of large-scale businesses such as mining, and the increasing scale of mining operations increased the companies’ sense of security. Decisive, arguably, was the potential economic vulnerability of any post-colonial regime, generally expressed in a desire to avoid disturbing critically important sources of wealth.

The case of the Gold Coast would appear to justify this interpretation: prior to independence in 1957, mining companies operating in the territory appeared to be confident about their position, even though their sizeable labour forces and concentration of fixed capital made them potentially vulnerable to political agitation and even nationalisation. This confidence was based on the assumption that the Gold Coast/Ghana would continue to need their capital and expertise in order to continue mining operations, and the knowledge that the mining companies made a substantial contribution to the territory’s economy. If these considerations were true of the Gold Coast, with its relatively diversified economy, they were surely even more relevant to Northern Rhodesia, so heavily dependent on copper. On the other hand, as Stockwell suggests of the Gold Coast, the mining companies were ‘committed’ by the enormous investment they had made. Unable, unlike expatriate trading companies, to diversify into new activities such as manufacturing, they nevertheless elected not to try to increase the rate of extraction while the political situation remained favourable, but used continuing investment to demonstrate their confidence in the post-colonial business climate, even if, like British officials, they privately had reservations about the implications of political change.

As already noted, however, the Copperbelt companies, at least those
under American control, had attempted to reduce their dependence by seeking fresh opportunities outside Northern Rhodesia. Blocked by Federal exchange control from pursuing their aims, they perhaps had a strong incentive to forge cordial links with ‘suitable’ African nationalists. An interesting parallel between the Gold Coast and Northern Rhodesia is that in both, capital projects of great significance, the Volta River project and the Kariba Dam, required continued investor confidence for their successful completion, on which, in each case, mining companies would depend for their future energy needs. This situation may, arguably, have served the interests of the mining companies: would an independent regime be likely to act in such a way as to jeopardise prestige infrastructural projects such as these? In 1957, for example, the British High Commissioner in Accra suggested that the need to attract foreign investment for the Volta River Project was a useful restraint on Nkrumah’s government.92

A further argument is that in the last years of colonial rule in Africa, the mining companies still had little reason to fear nationalisation, since successor regimes were unlikely to risk losing their managerial and technical expertise. In the late 1950s and early 1960s, it was not yet appreciated that other sources of expertise, for example from the Soviet bloc, might become available.93 Whether mining companies could afford to be so complacent is debatable. In relation to the Gold Coast, for example, Stockwell has argued that British mining companies did fear nationalisation during the early 1950s, despite reassurances from African nationalists.94 Four years after the country’s independence, the Ghanaian government’s plans to buy five British-owned mines initially caused alarm in Whitehall. However, Nkrumah, while stressing the social responsibility his government had to communities dependent on the mines, and the risk that they would close because their British owners lacked the capital needed to maintain them, emphasised his desire to appear ‘absolutely fair’. The government offered cash, at above the expected price, and the CRO thought the outcome a happy one, due largely to Nkrumah’s handling of the transaction. Moreover, Ashanti Goldfields was content, and the boards of the other four mining companies involved accepted the terms of the purchase, and the ‘generous’ compensation offered. It was with evident relieve that one CRO official commented: ‘All in all, the operation seems to have gone through far more successfully than might at first have been hoped’.95 Given Nkrumah’s earlier attacks on ‘economic imperialism’, this episode highlights the mood of apprehension current in Western circles around 1960, suggesting that the mining
companies, as much as the British government, had reason to be anxious about their position in Africa, *vis-à-vis* the independence movements. In the Northern Rhodesian case, judging from the frequency with which it was raised in exchanges within the mining companies, the threat of nationalisation was never far from key executives’ thoughts. For example, there had been intermittent proposals, since the 1930s, to merge Roan and Mufulira. By the early 1950s, this seemed feasible, once Roan’s technical difficulties were under control, and the mine’s earnings began to compare favourably with Mufulira’s. Although an amalgamation plan was devised in 1953, it was shelved because leading figures, including Prain and Harold Hochschild, judged that the combined company would create too large (and tempting) a political target. 96 Similarly, before the onset of the Federation’s terminal crisis, Prain had tried to persuade Harry Oppenheimer of the need for unity within the mining industry: divisions would not only play ‘right into the hands’ of the unions, but could, ‘under different political circumstances’, invite unwelcome government intervention.97 Britain’s concern to avoid confiscatory economic policies by a post-colonial regime underlined the importance of achieving a smooth transfer of power. If this could be done, it was possible that the territory’s new African rulers ‘would leave the copper industry reasonably well alone apart from a larger share for the Government of the revenue of the industry’.98

Kaunda repeatedly sought to give assurances that the copper industry (and foreign investors generally) would be safe under a UNIP government. Interviewed before departing to appear before the UN’s Committee of 24, he stressed Northern Rhodesia’s need for foreign investment, and the importance of establishing trust in the government. For this reason, he had no intention of interfering with the copper industry, or with the current system of concessions: ‘Who kills the goose that lays the golden eggs?’ 99 Kaunda subsequently told a UNIP rally that the mines would not be nationalised when the party came to power: ‘We want the mines to stay in private hands because those who run them are sensible people’.100 Nevertheless, the subject of nationalisation was a recurring theme in political discourse throughout the late colonial period. One reason that the mining companies became increasingly attracted to African advancement in this period was that it was seen as reducing the likelihood of nationalisation once an African government came to power in Northern Rhodesia. Reasoning that if a future government nationalised a mining industry in which high wages for Africans were the norm, it would have to pay other African
public employees similarly high wages. The companies hoped that this in itself would deter incautious government initiatives. Conversely, the MWU favoured nationalisation on the grounds that it would prevent foreign-owned interests, such as the mining companies, from having a deciding say over advancement. Later, in 1962, the issue of nationalisation would surface during difficult exchanges on whether Nyasaland could secede from the Federation. Meeting Sandys and Maudling, Whitehead warned that Nyasaland’s departure would set a precedent for similar demands from an African government in Northern Rhodesia, and, that if these were obstructed, the Northern Rhodesian government might retaliate by nationalising the copper industry and so jeopardise the Federation’s finances. Within Whitehall, there were fears that the growing preoccupation with ‘neo-colonialism’ might encourage the nationalisation of foreign-owned firms in independent African countries, and inspire other restrictive legislation. Similarly, in February 1963, fearing that a fresh attack on ‘neo-colonialism’ was being prepared for the next session of the UN General Assembly, the former Colonial Office minister, Lord Colyton of the Joint East and Central African Board, one of the leading business organisations in the region, warned Lord Home that such an attack might encourage independent African governments, ‘if not to nationalise companies, to bring in legislation increasing taxation and laying down conditions in regard to the constitution of the boards of directors’.

Of particular concern to the mining world, and demonstrating that state ownership was not a platform confined to the left, was the proposal, in July 1961, by a Conservative senator in Chile, for the nationalisation of the country’s copper industry, then largely in US hands. This in turn prompted the Christian Democrats to revive their own plans for the reorganisation of the industry, giving government control of production and sales. Finally, the government announced its intentions, and its plans to introduce legislation compelling the American companies to increase production by 15 per cent every three years (on penalty of increased taxation, equivalent to what they would have paid had output been raised as stipulated), to facilitate refining in Chile to the maximum possible extent, and to subject sales to government control. These initiatives were part of the long-term preparations for the 1964 elections, and prompted by the prospect of a Socialist government being elected. Although the Chilean government conceded that it was essential to preserve the concept of free private enterprise, if Chile were to attract the foreign capital it needed, London was
concerned not only on ‘general political grounds’, but also because Britain bought the bulk of Chile’s copper output.\textsuperscript{106} Any threat to the stability of the Chilean copper industry, for example through nationalisation, was therefore potentially very worrying. As Prain argued early in 1962, new investment in the country was urgently needed in order to meet rising world demand, but President Alessandri told him that the mining companies were already receiving fair treatment, and that there was considerable feeling in the Chilean Congress that the American companies were not contributing adequately to the Chilean economy.\textsuperscript{107} In the event, soon after his election in December 1964, the Christian Democrat President Eduardo Frei Montalva announced that Chile’s foreign-owned copper industry would be ‘Chileanised’, ranging from a majority government shareholding in Kennecott, to a 25 per cent interest in Anaconda’s future developments. Arguably the most important of these agreements was the ‘Braden Agreement’, under which Kennecott was to transfer 51 per cent of its wholly-owned Chilean subsidiary to the Chilean government for $80 million, while retaining a minority interest of 49 per cent. The $80 million would then be loaned back to the new company to help pay for the expansion of productive capacity.\textsuperscript{108} This arrangement was seen in business circles as a reassuring development, particularly in view of earlier fears that an extreme left-wing government might be brought to power in the 1964 election.\textsuperscript{109}

On the wider international stage, and of considerable concern to the British government, was the interest being shown by the United Nations’ Second Committee during the early 1960s in securing for nation states the rights over their natural resources, in part an adjunct to the UN’s announcement of the ‘Decade of Development’ in December 1961. Particularly important was the 1962 General Assembly Resolution 1803 (XVII), the ‘Declaration on Permanent Sovereignty of Natural Resources’ (PSNR), which established the right of peoples and nations to use and dispose of their natural resources in the interests of their national development and well-being. This included the right to nationalise or expropriate on the grounds of ‘public utility, security or the national interest’. On the other hand, the Declaration also lay down a legal obligation to pay ‘appropriate compensation’ according to International Law.\textsuperscript{110} When PSNR was tabled on the agenda of the current session of the General Assembly, the US Chamber of Commerce’s representative at the UN commented that ‘In no other case that has come before the UN has the business interest been so clearly and directly involved – and threatened’.\textsuperscript{111} For the British government,
a basic fear was that developing countries, encouraged by the Soviet bloc, and by the strong emotions aroused by the entire question, might dismiss international law as an ‘out-dated instrument, exploited by the western powers for their own advantage’. Many members of the General Assembly were, after all, recently independent, and were therefore thought likely to take a ‘highly emotional’ attitude to anything which appeared to limit that independence. The entire issue, moreover, seemed ripe for exploitation by Soviet bloc ‘neo-colonialist’ propaganda. If PSNR were adopted by developing countries, ‘unnaturally strict’ terms for the import of private capital might be imposed, along with the unilateral expropriation of existing assets, which could have ‘extremely damaging’ effects on major British companies operating abroad. Given the anxieties triggered by the UN’s deliberations, the final Declaration on PSNR was greeted in London with relief. The UN’s reaffirmation that foreign investment agreements freely entered into by sovereign states must be faithfully observed was seen as a success for Anglo-US co-operation at the UN. Moreover, the Declaration accorded with the principles which Britain was attempting to promote in the proposed Multilateral Convention for the Protection of Foreign Investment, then being considered by the OECD.

Despite these apparently reassuring developments on the wider stage, concern remained that nationalisation might be seen as an option by the Northern Rhodesian government. In August 1964, for instance, Prain told the Cabinet Secretary, Sir Burke Trend, of his apprehensions, focussing on the presence in the new government of ‘extreme leftists’, such as Sipalo and Sokota Wina, who he thought might be in ‘active contact’ with Communist China. He feared that the Copperbelt, representing investment of, perhaps, £500 million, and combined share values of around £150 million, might, on grounds of prestige and economic power, be an irresistible prize for an independent government, and that Kaunda would before long seek to establish effective control over it. Outright confiscation seemed unlikely, as this would do ‘enormous damage’ to the territory’s commercial reputation. Yet nationalisation with compensation would cost the government around £150 million, which it clearly lacked. The danger, in Prain’s view, was that the Soviet Union or China might offer to lend Lusaka this sum, in exchange for repayment in copper. This would allow the government to acquire outright ownership of the mines and free it of the foreign exchange liability currently incurred by the outflow of dividends, as well as bringing the profits of mining operations to the Exchequer. Emphasising that he was not seeking a pre-emptive rescue
action by the British government, Prain was nevertheless struck by the pace of Africanisation in Northern Rhodesia, and concluded that he would be the last white Chairman of RST.115

The mineral rights issue

However much ambiguity might have surrounded the issue of nationalisation, African nationalist leaders in Northern Rhodesia were resolved to secure control of the territory’s mineral rights, and so ensure access to royalty revenue which averaged £12 to £13 million in the early 1960s. The fact that the BSAC received half of this was considered to be symptomatic of the economic exploitation inherent in colonialism. It was ‘particularly offensive’ to African opinion that Chartered’s rights were based on ‘treaties’ with local African rulers, agreed in the founding years of colonial rule. As often stated in relation to similar arrangements, it was highly debatable whether the African signatories either understood to what they were committing themselves and their descendents, or had the authority to dispose of the country’s wealth in this manner.116 A UNIP pamphlet of 1962 declared that the mineral wealth of the territory remained the ‘inalienable possession of the people’, and acknowledged no legitimacy in the contracts under which these rights had been signed away by earlier African rulers.117 Renewed discussion of this problem in the early 1960s needs to be seen in the wider context of serious concern in Whitehall about the scope for allegations that big business in Africa was developing ‘neo-colonialist’ strategies. But although it accepted the difficulty of defending the record of the BSAC (in contrast to that of the mining groups), the British government was not enthusiastic to help remedy matters by offering to contribute to the purchase of Northern Rhodesia’s mineral rights.

Early in 1961, with changes to the Northern Rhodesian constitution impending, the BSAC sought protection for its rights under the 1949 Agreement, since these were clearly a potential target for a nationalist government. The Company wanted provision to be included in the new constitution preventing any action which abrogated the Agreement.118 Under Clause 11 of the Agreement, the British government undertook to be responsible for the implementation of the Agreement by the Northern Rhodesian government, so long as London itself was responsible for that government. The Colonial Office view, fully supported by Governor Hone, was that it would not help the BSAC to be given the kind of special provision it sought: adequate pro-
tection would be given by Northern Rhodesia’s new Bill of Rights. To act as Chartered requested might undermine business confidence, which could only damage the Company. When pressed again by the BSAC, which appeared to assume that special provisions would be forthcoming, the Secretary of State was advised by officials to emphasise the limitations of the government’s earlier commitment. Iain Macleod was studiedly non-committal on when, and in what circumstances, Northern Rhodesia might achieve ‘fully responsible status’, nevertheless he stressed that London was determined to maintain stability in the territory, and would not give up its responsibilities until this would be ‘compatible with its obligations’.

The BSAC noted that Macleod had given no reasons for rejecting its proposals when he met Company representatives, concluding that the obstacle was, as he had allegedly hinted to them, that African opposition to the inclusion of safeguards in the new constitution would become an issue in Northern Rhodesia’s next elections. This, the Company felt, fully vindicated its original contention, since, if a sizeable proportion of politically active Africans sought to challenge the Company’s rights, this was reason in itself for introducing safeguards at that stage: once more radical constitutional changes were being discussed, it would be considerably more difficult for the British government to insist on specific safeguards for the Company. The BSAC recalled that when the Federal constitution was being framed, credence had been given to the Company’s argument that any attempt by the Federal government to expropriate or reduce the Company’s rights should be made legally impossible. The Company’s case had been answered with the inclusion of Article 44 of the Federal Constitution. Logically, Chartered argued, if African opposition now existed to its status, then the case for specific protection was even greater than it had been in 1952. A Bill of Rights would not, the Company declared, provide the desired measure of protection, unless it involved a prohibition of breaches of the 1949 Agreement. In Lusaka, Hone continued to advise the Company that specific provision might harm its position: the new constitution, he explained, would be the subject of ‘intense controversy’, and whatever it included would be open to criticism from its opponents. Switching tactics, Chartered’s president, Lord Robins, now requested general provision, without particular reference to the BSAC, that existing treaties and agreements would be honoured in the future. Hone considered this ‘politically practical’ [sic], unlikely to provoke the ‘political row’ which might follow specific safeguards. However, it is clear that Hone’s willingness to accommodate the BSAC
derived at least in part from the ‘plain hint’ Robins had given that London’s response would affect the BSAC’s loan policy towards the Northern Rhodesian government.  

At the beginning of 1962, the BSAC privately disassociated itself from proposals, rumoured to be being canvassed by ‘Tiny’ Rowland of LONRHO, under which Chartered would agree with the mining companies to commute its royalty rights in return for new shares in the mining companies. Chartered insisted that Rowland did not have its agreement or the authority to make such proposals, which, the Company stressed, would be contrary to the 1949 Agreement. Aware of its poor image within Northern Rhodesia, the BSAC sought to use development finance as a lever with which to secure its royalty revenue. The Company informed the Northern Rhodesian government of its plans for development projects, and the possibility of seeking advice on suitable projects from a team specially recruited with the World Bank’s participation. Claiming to be considering investing half of its royalty receipts in development, the Company warned that its shareholders were unlikely to approve this strategy unless they were assured that a safeguard of Chartered’s rights would be incorporated into Northern Rhodesia’s constitution. The same considerations applied to a proposed loan of £2 million for housing development. Governor Hone believed that the Company was serious about these plans, and, given the Treasury’s doubts about loan assistance, emphasised Northern Rhodesia’s dependence on external aid, if it were to implement a development programme meeting the territory’s ‘minimum’ needs. However, Macleod’s successor, Maudling, rejected a specific safeguard on political grounds, and believed a similar difficulty would arise if a public statement were made to Chartered’s shareholders, since a general safeguard would inevitably be linked with the 1949 Agreement, whereas the entire purpose of a non-specific safeguard was to avoid this, and so avoid drawing explicit attention to the BSAC’s position. For this reason, Maudling requested Robins not to refer publicly to the general safeguard which London was prepared, in principle, to accept. 

With Chartered still seeking a general safeguard, which would bind the Northern Rhodesian government to observe the 1949 Agreement and invalidate any territorial legislation inconsistent with that Agreement, London’s own position early in 1962 was that the new Northern Rhodesian constitution did not alter the relationship between Britain and the territorial government: the British government remained responsible ultimately for Northern Rhodesia, a situation with which
safeguards of the kind Chartered sought would be incompatible.\textsuperscript{127} BSAC representatives subsequently predicted the ‘whittling away’ of the Company’s rights under the new constitutional regime, alluding to the unofficial pressure which had led eventually to the 1949 Agreement.\textsuperscript{128} It was clear that Chartered did not regard Maudling’s reassurances as sufficient to justify confirmation of its housing loan offer to the Lusaka authorities, in exchange for which the Company expected a substantial safeguard: since the objection to this had been political, and the resulting risks would primarily affect the Company itself, Governor Hone, anxious to secure his development loan, felt that the Company’s request should be granted.\textsuperscript{129} Given that Northern Rhodesia’s Development Plan hinged on the loan Chartered was offering, there was sympathy within the CAO for Hone’s position. Even if Northern Rhodesia could secure a share of Federal borrowing, which was becoming difficult to predict, adequate finance for the Plan seemed unlikely to be available; nor could the British government at that point extend its aid commitments.\textsuperscript{130}

Although the BSAC was gradually persuaded that a specific move in its favour at that stage would be ‘impolitic’, political pressure arising from the rights issue continued to mount. In its election manifesto of September 1962, for instance, the ANC demanded legislation to ensure that some of the royalty payments which currently went abroad would go instead to the Native Authorities in the mining areas of Northern Rhodesia.\textsuperscript{131} As a result of protracted discussions with the BSAC, special provision was inserted into the 1962 Northern Rhodesian constitution to safeguard the Company’s position. Chartered evidently hoped that this would be preparatory to similar provision in the eventual independence constitution. To officials in Whitehall, however, this was ‘rather wishful thinking’: the BSAC’s situation would inevitably be ‘precarious’ after independence, and the Company’s best hope of retaining something of its position would be for it to improve its image among the African population and show an interest in Northern Rhodesia’s overall development, for example by proceeding with a housing loan to the government in Lusaka.\textsuperscript{132}

A fresh proposal was injected into these discussions in September 1962 when, at the request of Lord Chandos (the former Colonial Secretary, Oliver Lyttelton), Butler met Martin Russell, former assistant investment manager for Chartered and currently a private investment consultant. Russell, a friend of Chandos, suggested that the rights issue could be resolved if the Northern Rhodesian government nationalised the BSAC, for, perhaps, £60 million. An objection to this course was
that it might encourage the South African government to do the same with De Beers, so putting pressure on English-speaking South Africans. An alternative would be for the British government, the Federal government or the Northern Rhodesian government to buy Chartered’s rights for, say, £60 million. A key obstacle to Russell’s proposal was that its financial implications were simply not feasible in light of Britain’s already strained aid programme. Moreover, action on these lines was bound to be read as implying that the British government had lost its confidence in the future of foreign capital (and thus probably of the European population, too) in Northern Rhodesia. Such action would be an ‘open invitation’ to an independent Northern Rhodesian government to threaten other British interests, in the expectation that the British government would offer similar treatment. In turn, British interests facing similar circumstances elsewhere would be likely to claim the same assistance. Nevertheless, Hone was convinced that unless a solution on the lines proposed by Russell were found, the Northern Rhodesian royalties problem would ‘become a grave political embarrassment to us before very much longer’. He noted the widespread local criticism of the BSAC, ranging from UNIP to the Liberal Party and the UFP. The question had even attracted international attention: in November 1962, the Soviet representative to the UN had cited Lord Robins’ statement to BSAC shareholders that the Colonial Secretary had promised that the new Northern Rhodesian constitution would prevent the territorial government from violating the 1949 Agreement ‘in any way’. Despite the problems involved, Hone became increasingly attracted by the idea of buying out the BSAC, at the current market price of its shares. Early in 1963, Russell discussed the question with Sir Ronald Prain, who was particularly concerned about the distorting effect the current method of calculating royalties had on mining policy.

In the summer of 1963, the Northern Rhodesian government sought a resolution of the mineral rights issue. Its aims were both to end the BSAC’s ownership, and to remove the burden the existing arrangements imposed on marginal mining enterprises. At the time, the copper market had entered a period of relative depression, the current LME price of copper was maintained only through concerted action by the Copperbelt producers, and there were fears that some mines might be forced to suspend production. The government proposed to buy all of the BSAC’s future royalties with effect from 1 January 1964. Half of the payment to Chartered would take the form of cash and shares, and the other half would consist of government bonds. Payment would be
made in instalments during the period that the 1949 Agreement would still apply, that is, until 1986. During this period, the government would remit the 80 per cent of royalty that it would be buying in exchange for an allotment of cash and shares by the mining companies, the value of which would cover the immediate payment to the BSAC and ensure the government a dividend income large enough to cover the remaining 23 payments. Both Kaunda and Arthur Wina were consulted and seemed to approve of the government’s proposals. They suggested that the World Bank might be asked to assist in any settlement, implying a concern to ensure that the government’s future rights would be safeguarded.139

During October 1963, officials of the British government and the Bank of England met the Northern Rhodesian Minister of Finance to discuss ideas arising from talks with Prain and Oppenheimer. The mining companies proposed that the Northern Rhodesian government should negotiate to buy 80 per cent of the royalties retained by the BSAC for cash, shares or bonds, for a sum to be agreed. Lusaka would then agree to accept payment for the royalties in the form of equity (that is, a share of the mining companies’ gross profits). Since the government would thus become a major shareholder in the mining companies, it would be entitled to be represented on their boards. The companies contrasted their proposals with the existing royalty formula, which they claimed damaged the mining industry because royalties were calculated on the basis of approximately ten per cent of the sale price of copper, regardless of the profitability of mining operations. This meant that royalties fell more heavily on high-cost producers, which might face closure as a result. Nor, it was argued, did the current regime give the companies any incentive to extract lower grade ore. The new scheme would, it was claimed, benefit the entire mining industry. The Lusaka authorities were keen to resolve the matter quickly. UNIP’s leadership was anxious to demonstrate its financial integrity and seemed willing to work to reach a fair settlement with the BSAC: a delay might jeopardise this situation. Moreover, the Northern Rhodesian government was currently a coalition of UNIP and the ANC. If this government ratified the proposed agreement, royalty arrangements would cease to be a party political issue. However, if the question were left unresolved, after the January 1964 elections (widely expected to produce a UNIP government), it might become the subject of highly undesirable party controversy, not least because, after independence, a UNIP government might succumb to pressure from its own more radical backbenches.140 In October 1963, however, the BSAC
rejected the proposal that the Northern Rhodesian government should buy the mineral rights for approximately £35 million, to be paid in 23 instalments, arguing that it could not be confident that a post-independence regime would honour the annual payments envisaged. Nor was London willing to guarantee the scheme, since this would imply a lack of confidence in the future government in Lusaka. Even the mining companies’ offer to underwrite the government’s scheme could not prevent negotiations faltering.\(^\text{141}\)

Early in 1964, when Northern Rhodesia achieved full internal self-government under an African government headed by Kaunda, Lusaka commissioned a fresh examination of the mineral rights’ historical background by the London firm of economic consultants, Maxwell Stamp Associates. The results were published as a White Paper in September.\(^\text{142}\) Meanwhile, during the Northern Rhodesian independence conference in May 1964, the CRO tried unsuccessfully to negotiate special protection for the BSAC. It was assured that the Bill of Rights in the territory’s independence constitution would safeguard Chartered against expropriation without compensation. For their part, the territory’s African ministers were under considerable pressure to buy out the Company for a lump sum. The figure of £45 million had been mentioned, in strict confidence, but the Northern Rhodesian government neither had such a sum, nor could it, on political grounds, justify such a payment.\(^\text{143}\) Yet, as Sir Arthur Snelling of the CRO put it, Britain’s entire relationship with post-independence Zambia seemed likely to hinge on a successful resolution of the rights issue. If an agreement were not reached, the country’s government would probably be driven to expropriate the BSAC, even in defiance of the constitution. If this happened, the City would shun Northern Rhodesia and it would be difficult for the British government to give the country aid, with the result that it might turn for help to the Communist Bloc.\(^\text{144}\)

Late in August 1964, Kaunda warned Macmillan’s successor, Alec Douglas-Home that the rights issue contained the ‘seeds of animosity’, and the potential for dispute between London and Lusaka. The people of Northern Rhodesia, he stressed, believed that the British government had been negligent in failing to undertake a full inquiry into the rights issue: this was now being done by the Northern Rhodesian government, at its own expense.\(^\text{145}\) This point was reinforced by Hone, who noted the government’s view, and the popular support it enjoyed, against continuing to pay royalties after independence. Nevertheless, he felt that the idea of making a once and for all *ex gratia* payment might still be worth pursuing, provided that the British government
was willing to contribute.\footnote{146} The Northern Rhodesian government felt its position was strengthened by the legal opinion it had secured, suggesting that the BSAC had never enjoyed a valid claim to the territory's mineral rights. These rights derived from the provisions of the Lewanika Concession of 1900, which the government was advised had not extended to the region which later became the Copperbelt. The government’s legal advisers even considered that there might be a claim against the BSAC for the return of the £120 million it had drawn in royalties in the intervening years.\footnote{147} Moreover, as Arthur Wina informed the President of the BSAC in September 1964, it appeared from correspondence which the Northern Rhodesian government possessed, that Chartered had ‘long been aware’ of this situation, just as the British government had several times neglected to challenge the Company’s claims when it had been ‘expedient’ to do so. Wina issued a clear warning: the Northern Rhodesian government would be under no legal obligation to continue to fulfil the terms of the 1949 Agreement following independence (due on 24 October), adding that any claim arising from that Agreement must be the responsibility of the British government.\footnote{148} For its part, the BSAC remained unmoved: it reasserted the legality of its claim, which it argued had been recognised by successive Northern Rhodesian governments, not only in the 1949 Agreement, but also in the 1958 Mining Ordinance.\footnote{149} According to Chartered, out of the £160 million which had been paid in royalties, the company had received £70 million (after tax), of which £20 million had been invested, or spent, in Northern Rhodesia, the remainder having passed to the British and Northern Rhodesian governments.\footnote{150}

The entire question of the mineral rights prompted Sir Burke Trend to speculate whether the stance adopted by the Lusaka authorities might simply be the prelude (or ‘hors-d’oeuvre’) to more ambitious moves. Recalling Prain’s recent warnings, he wondered whether, having established a precedent, in expropriating the BSAC without compensation, the government planned to move on to the copper companies as the ‘main dish’. This possibility, along with the risk that Lusaka might enlist Communist Bloc help, seemed to Trend to be more real, given the most recent intelligence reports, which suggested that a plot might be coalescing to overthrow Kaunda, and to replace him with Munukayumbwa Sipalo and other ‘extremists’ friendly to the Soviet Union and China. Against this background, Trend urged ‘great caution’, moving as slowly as possible.\footnote{151} One possibility was to renew previous offers to refer the question of the validity of the BSAC’s claim to the Judicial Committee of the Privy Council, although this was
unlikely to improve the British government’s position. It seemed clear that Kaunda’s government did intend both to expropriate Chartered, and to do so without compensation. London would therefore have to make clear from the outset that this was unacceptable, and might have to consider lending Lusaka the money with which to compensate the BSAC. This in turn meant that the British government might have to be ready to adopt a similar course if Kaunda and his colleagues subsequently moved to nationalise the copper companies (that is, to do what Prain had warned that the Soviets or Chinese might be willing to do). In these circumstances, it was better that Britain should act, ‘than that our enemies should’. The preferred option for Britain would be to try to secure a settlement through litigation, gaining time for the government and reducing the political clamour surrounding the issue, in that an already independent government could accept a judicial ruling more easily than a still dependent government could strike a political bargain. For this reason, Trend considered that a ‘veiled threat’ might be useful, warning Lusaka that unless it agreed to litigation, the date of Northern Rhodesia’s independence might have to be reviewed by the British government. The alternative – to do nothing and allow things to take their course – was unacceptable, because it would leave the British government open to accusations from both the BSAC and the Northern Rhodesian government that it had ‘betrayed’ them. More importantly, it would create a ‘very damaging’ precedent in relation to the copper companies, leaving them in a ‘very dangerous’ position. London, however, was not entirely without political leverage over African ministers in Lusaka. In the last months of colonial rule, Kaunda and his colleagues were anxious to secure promises of British aid to Zambia, not only financial but military. Given Zambia’s relative prosperity, the case for aid was not strong, resting largely on political considerations, such as the desirability of bolstering Kaunda against left-wing pressures, the need to establish good relations with a new Commonwealth country, and the importance of protecting the substantial British interests at stake, particularly in the copper industry. Nevertheless, Lusaka’s attitude towards the BSAC was seen as a ‘major complication’: Kaunda’s government was contemplating actions which might cause great embarrassment to London, and damage Northern Rhodesia’s creditworthiness abroad. In these circumstances, the British government was looking for co-operation from Lusaka on the mineral rights question before serious discussions on aid could begin.

Negotiations on the mineral rights opened in London on 21 September 1964, chaired by the Lord Chancellor, Lord Dilhorne. When Dilhorne met Wina and the Northern Rhodesian delegation, the latter
explained that the maximum Lusaka would pay Chartered was the equivalent of three months’ royalty revenue. When pressed on the possibility of a British government contribution to this, Dilhorne had responded that London could not be expected to finance Lusaka’s act of nationalisation.\textsuperscript{155} When Martin Russell suggested that London should lend Lusaka the purchase price of the mineral rights (to be repaid by 1986), officials in London were concerned that this made long-term assumptions about the copper industry’s profitability, and that, given the rate of technical change, it was ‘most risky’ to do this: in particular, the future price of copper could not be predicted, therefore it could not be assumed that the industry would continue producing royalties at their current level for over 20 years. Apart from this, it seemed unlikely that the British government could provide the necessary money.\textsuperscript{156} A forceful intervention on the entire issue came at this point from the Federation of British Industries, which appealed to Douglas-Home, stressing the need to settle the question before Northern Rhodesia became independent. Proclaiming its deep concern with the future of new African states, and with the stake of British private investment in them, the FBI warned that failure to reach a settlement on the BSAC’s rights would have far-reaching implications. Unless the dispute were resolved, the Northern Rhodesian government would have no choice, politically, but to amend the constitution and expropriate the Company, thereby jeopardising the entire relationship between Britain and Zambia, damaging Britain’s existing interests in the region and discouraging future British investment. The political situation in Northern Rhodesia dictated that the territory’s own contribution to the necessary compensation could only be ‘modest’, therefore the onus of devising an acceptable settlement would fall upon the British government and Chartered. In the FBI’s view, a prompt settlement would ‘abundantly justify its cost to the British taxpayer’.\textsuperscript{157} Douglas-Home, responding to the FBI, was worried by the implication that the British government should make the largest contribution to the mineral rights settlement. To do this might be seen to be accepting responsibility for the current situation, despite the government’s public refutation of Lusaka’s allegations of misconduct on the part of previous British governments. More important, perhaps, was the danger that British firms whose assets abroad were expropriated by independent governments might conclude that they could turn to the British government, not their expropriators, for compensation. Were this assumption to take root, the consequences for the British taxpayer, and for British overseas commercial interests, could be ‘extremely serious’.\textsuperscript{158}
On 2 October, the Northern Rhodesian Cabinet resolved that the rights issue could not be settled through litigation. Ministers further decided that steps should be taken to ensure that the mineral rights were secured for the people of Zambia as soon as possible after independence. Nevertheless, Governor Hone thought that a negotiated settlement might still be achieved. After the Cabinet meeting, Kaunda had revealed that he was considering a fresh approach to the British government after the forthcoming general election in Britain. As negotiations appeared deadlocked, Sir Arthur Snelling, Deputy Under-Secretary at the CRO, suggested that a way forward might be for the Northern Rhodesian government to agree to assume ownership of the mineral rights at an agreed date after independence. This would alleviate the government of the need to find the money with which to compensate the BSAC: instead, the government would simply forego the revenue it would have received had it nationalised the rights earlier. Hone thought that this proposal would not appeal to Lusaka, because ‘the whole emphasis now is on a speedy and final settlement’, on political grounds. Moreover, the mining companies were also keen to see an early reform of the royalty system, which was ‘crippling’ all but the most profitable mines. In Hone’s view, the most hopeful outcome would be if Kaunda would increase the Northern Rhodesian government’s compensation offer, asking the British government to contribute to this, perhaps to the extent of a one-half share. Hone considered that assistance from Britain of up to £4 million would not be unreasonable to expect, adding that a refusal by London to help would be ‘deplorable’. With Kaunda adamant that it was the British government’s responsibility to deal with the problem before independence, Hone saw a gesture by London as the only way out of the current impasse. Aware that Kaunda had asked Home to take a personal interest in the rights question, Paul Emrys Evans, recently-appointed President of the BSAC, added his urgent request on similar lines. In contrast to the British government’s fears, Chartered argued that if a settlement were reached before independence, there would be no question of creating a dangerous precedent. A pre-independence settlement, it was argued, would not involve expropriation for which compensation had to be paid. Rather, it would simply represent the transfer of the mineral rights to a dependent territory as part of the arrangements under which it achieved independence. Moreover, in Chartered’s view, the ‘special contractual relationship’ between the British and Northern Rhodesian governments and the Company made this case distinct from the general problem of the seizure of British assets, without compensation, by foreign governments.
Fresh urgency was introduced into the subject by press reports that in a statement to a UNIP rally, Kaunda had warned the new Labour government in Britain that unless it acted on the mineral rights issue prior to Northern Rhodesian independence, his government would be forced to seek a popular mandate for a policy of expropriation. Sir Burke Trend emphasised that if the British government settled the rights question, it should be made clear that Northern Rhodesia’s constitution would retain provisions forbidding expropriation without compensation: ‘Otherwise, the copper companies, who are far more important than Chartered, will be at risk’. Lusaka remained unwilling to make a direct settlement with the BSAC, insisting on the involvement of the British government. Accordingly, the new Commonwealth Relations Secretary, Cledwyn Hughes, proposed that the British government should pay Chartered £4 million, to which the Northern Rhodesian government should contribute £2 million, as a ‘show of goodwill’, plus a sum representing the tax on the total payable by the Company to leave the latter with £4 million net. Ministers recognised objections in principle if London made any direct payment to the BSAC, as this might be seen as a precedent, leading other companies whose assets overseas were expropriated to claim compensation from the British government: it might, even worse, encourage overseas governments to pursue expropriation. However, ministers accepted that the circumstances in Northern Rhodesia were unique, given the British government’s undertaking to the BSAC under the 1949 Agreement, and that this both justified a payment, and provided a defence against the transaction being cited as a precedent. The settlement, elusive for so long, was achieved only a day before Zambia’s independence on 24 October 1964.

As Prain subsequently explained, the mining companies had not been involved directly in the 1964 settlement. They had been assured by African ministers that once the government had secured the mineral rights, the royalty formula would be changed, calculated on the basis of profitability (as the companies themselves urged), rather than on production. Prain had repeatedly warned that the existing formula was an obstacle to bringing some mines into production. He argued that a more ‘enlightened’ system would allow more copper to be mined, creating revenue not only for the copper companies, but for the territory as a whole. Pointing out that in some years, the BSAC had profited more from copper mining than the copper companies, he had warned Chartered that it was becoming vulnerable to some form of confiscation. In his view, the companies’ main hope was that the
BSAC’s directors could be convinced that it was in their interests, as much as the mining companies’, to change the royalty system. It was their failure to persuade the BSAC of the benefits of changing the royalty formula that led the companies to suggest that Chartered should commute some of its royalties into shares in the mining companies. Prain had advised Robins that the Company’s position would be more secure as a shareholder in the copper companies than as holder of the mineral rights, which would become more vulnerable over time. RST, unlike RAA, was not intimately related to Chartered, and therefore arguably had fewer grounds to oppose the transfer of the mineral rights to the state.167 In May 1964, Walter Hochschild, chairman of American Metal Climax, had publicly declared his support for the African nationalist case, and noted the difference between the latter’s constructive policy towards the mining companies, and their resentment of the BSAC, and its anachronistic privileges.168 Clearly, within the central African business world, some firms, such as RST, had appreciated the need to present their activities in a favourable light, to identify their interests as being complementary to those of their host country. This was a lesson which the BSAC had simply never absorbed. Nevertheless, it would be mistaken to see ‘progressive’ businesses, of which RST was perhaps the most striking example, as approaching Zambian independence in a spirit of complacency, based on their past record. The extraordinary episode of political change since 1959 had only served to underline the unpredictability of central African politics, and the speed with which previously entrenched assumptions could be discarded.
The years immediately before independence saw continued expansion on the Copperbelt. By 1963, Mufulira had established itself as the second largest underground copper mine in the world, and the Chambishi ore body was due to be developed.\(^1\) Production, which had been cut back during 1963, was running at record levels by the time of independence.\(^2\) Assessing the outlook for the Copperbelt, Britain’s Trade Commissioner in Salisbury noted that the management of the copper market required the copper companies to buy and stockpile large quantities of the metal, which called for substantial financial resources. Moreover, it was unclear whether world consumption of copper would rise quickly enough, even in the medium term, to create a balance between consumption and production. With the Copperbelt’s productive capacity increasing, it was possible that if managing the copper market, and maintaining current world prices, over a lengthy period proved difficult, the Northern Rhodesian economy might as a result suffer serious problems. Prophetically, the Commissioner concluded that it was ‘improbable’ that the economy would ever be sufficiently diversified, through the development of agriculture and industry, to be shielded from even a ‘modest’ recession in the mining industry.\(^3\)

As the Federation approached its demise and Northern Rhodesia neared independence, it appeared clear that leading businessmen in the territory had actively cultivated the newly-elected African ministers. They generally expressed a high regard for Kaunda, although this was tinged with some concern that political expediency might force him to adopt ‘economically unsound’ policies. Equally, senior officials in Northern Rhodesia admired Kaunda, but warned that his high principles might lead him to sever links with Southern Rhodesia, regardless
of the economic consequences. The Commissioner of Western Province (which included the Copperbelt), for instance, suggested that some of Kaunda’s more ‘extravagant’ statements were intended for his party’s consumption. Arthur Wina, Parliamentary Secretary to the Ministry of Finance, for whom praise was almost universal, was thought to be ‘very alive’ to the importance of maintaining economic links between the two Rhodesias. When probed by a Board of Trade representative, the Commissioner of Western Province was taciturn about the activities of RST and RAA, although he noted that each remained committed to substantial development projects, and seemed unlikely to change their views in this respect in the near future. While describing the companies’ decision to move their head offices back to Northern Rhodesia from Salisbury as ‘very wise’, he declined to comment on the extent to which the companies were involving themselves in local politics, or attempting discreetly to influence political figures.

In the field of industrial relations, the mining companies could be pleased with recent developments, and the situation seemed better than it had been for some time. Following the precedent set by the recommendations of the Hadow Report, which established the principle of a local wage structure with expatriate inducements in the government service, the companies had established a new pay structure consolidating former bonuses in the basic pay scale, putting European employees on an ‘expatriate’ basis with an inducement allowance over and above the basic rate of pay. There was uncertainty, however, about whether skilled European staff would elect to remain in Zambia (which had seen a net loss of over 6,600 Europeans during 1963). On the other hand, despite continuing efforts at the ‘Africanisation’ of many posts, the dearth of sufficiently educated Africans remained a practical obstacle. Much would depend on the government’s willingness, in the interest of maximising foreign exchange earnings from copper, to promote Africanisation while facilitating the retention of skilled European workers. Meanwhile, the mining groups had secured an apparently revolutionary change in the trade union structure. The MWU, which had previously guarded its ‘closed shop’ agreement jealously, had been transformed into the Mine Workers’ Society, membership of which was voluntary: as one general manager had told the British High Commissioner in Lusaka, ‘this country would never again be held to ransom by a small group of specialists’. The mood on the Copperbelt seemed relaxed, even optimistic.

The British Trade Commissioner in Salisbury had earlier found apprehension among the business community that politically-inspired
action, such as tariff protection or import controls, might isolate Northern Rhodesia off from its sources of supply in Southern Rhodesia and South Africa of consumer goods and materials needed for industry. However, both mining groups had maintained their purchases at a stable level, and neither appeared to be perturbed about the danger of being cut off from South African sources of machinery and explosives, leading the Commissioner to conclude that they had received assurances ‘of some kind’ from the government in Lusaka.\(^7\)

In the months leading up to independence, the prospect of US action against copper price-fixing remained a concern. It was, perhaps, with one eye on the possibility of an anti-trust action by Washington that RST and Anglo American had been keen to assert that they did not constitute a monopoly.\(^8\) Prain discussed the matter with Kaunda, who said he would be violently opposed to any such moves by Washington. The fact that the Americans were known to be anxious to strengthen Kaunda’s position was thought to be an advantage in this respect.\(^9\) Prain, meanwhile, remained concerned about the vulnerability of RST directors who were US citizens, and about RST facilities and sales in the US. Although Prain was adamant that there had never been a formal agreement between the copper producers, this might not prevent action by the US Department of Justice on the grounds that the firms had curtailed production, temporarily supported prices and were currently trying to keep prices down. The British government’s position was aired early in 1963, when commodity policy in general was discussed in Whitehall. Dominating these exchanges was a concern that the economic problems of the under-developed countries must be eased, allowing those factors which might lead to political instability to be addressed.\(^10\) By this stage, officials concluded, Britain had been relatively consistent in its support for the idea that international commodity problems should be approached multilaterally, with the aim of achieving price stability. Government policy was thus in line with the Havana Charter of 1947, a position confirmed by the Commonwealth governments meeting in Montreal in 1958. Accordingly, London’s view was that each commodity should be treated on its own merits, that discussions should be open to all interested countries, and that agreements should be between governments.\(^11\)

Edward Heath, President of the Board of Trade, agreed to meet Prain’s legal adviser, and to impress the seriousness of the issue on US Under-Secretary of State Ball when they met in Geneva. Heath had also raised the possibility of a commodity agreement, prompting Prain to
concede that the best form of protection against US anti-trust action might be an inter-governmental agreement. He doubted, however, whether the delays inherent in government decision-making would make this practicable. The Board of Trade suspected that what Prain really sought was an arrangement between the producer governments to ‘cast a cloak of respectability’ over the same sort of production and pricing policies which individual producer countries had already been practicing. The Commonwealth Relations Office, on the other hand, judged that the entire question called for careful handling and close monitoring. Concluding that Prain’s aim was to keep the Rhodesian producers’ price ‘well below’ that of the LME, Sir Arthur Snelling doubted whether Kaunda would endorse such a policy. Yet, as one of Snelling’s colleagues pointed out, the free market price was not necessarily a reliable guide: while around 10,000 tons of copper were sold each year in this way, over three million tons were sold in direct sales at fixed prices. Snelling was keen to elicit Oppenheimer’s views, given his long experience in fending off longstanding US anti-trust attacks on his De Beers interests. The companies which comprised the RST Group were not UK companies, and therefore Britain strictly had no direct interest in defending them against action by the US Department of Justice, apart from on the general grounds that ‘we do not like US attempts to assume universal jurisdiction’. Britain, as a major consumer of copper, sought a stable market and ‘reasonable’ prices, which the current producer arrangements ‘more or less’ provided. If the Department of Justice were to proceed, not only would all producers of copper, especially among the developing countries, face serious consequences, but Britain would inevitably face ‘violent’ fluctuations in copper prices, which its copper consumers would find problematic. For this reason, they would ‘almost prefer’ the status quo to continue, although to say so publicly might be taken as an endorsement of a potentially dangerous producers’ cartel. Contrary to Sir Arthur Snelling’s forebodings, however, Kaunda strongly endorsed the price policy of the Copperbelt producers. Speaking to the Northern Rhodesian branch of the Institute of Mining and Metallurgy at Ndola in June 1964, he declared that ‘none of us’ wished to see a spectacular boom in copper prices followed by a disastrous slump. What was needed, he argued, was ‘sure and steady progress’ so that the living standards of the territory’s whole population could be raised. This was understood in the CRO to mean that Kaunda understood the producers’ current arrangements, and wanted them to continue. Similarly, Wina had declared strong support for the policy of selling
well below the LME price, with a view to preventing the substituting of aluminium or plastics for fabricated copper.\textsuperscript{16}

Early in 1964, there were widespread feelings that Northern Rhodesia’s entire future was ‘clouded with uncertainty’ because of doubts concerning Kaunda’s ability to maintain his position as leader of UNIP. Special Branch reports, however, suggested that there was no immediate threat, and Sir Evelyn Hone believed that Kaunda was gaining from the prestige and authority associated with being prime minister.\textsuperscript{17} Although Kaunda’s reputation within Whitehall was secure, concern persisted about the high proportion of leading UNIP members, including approximately half of those holding ministerial posts, who had had some contact with Communist bloc countries. Many had visited these countries, and a number were thought to have Communist sympathies.\textsuperscript{18}

In the period immediately prior to Zambia’s independence, Kaunda had been at pains to reassure existing and potential investors that the country was not due to take a sharp lurch towards the left. Indeed this, and the fact that Northern Rhodesia appeared to be the most economically viable of the three former Federal states, possibly accounts for the sharp increase in investment in the territory before independence.\textsuperscript{19} Shortly after independence, Kaunda once again declared that his government was not contemplating the nationalisation of the copper industry.\textsuperscript{20} However, he had hinted that he saw a greater role for government in ensuring that the mining industry maintained a strong performance and so contributed to the well-being of the entire population. Speaking in Ndola in June 1964, he said: ‘In order to achieve this result the Government intends to play a much more active part in the formulation of mining policy than in the past’. At the time, this was interpreted as meaning that more attention would be given to developing minerals other than copper, rather than to intervention in the pricing mechanism.\textsuperscript{21} Prain, however, was becoming increasingly apprehensive. The government’s Budget, presented in July, involved tax increases which might jeopardise RST’s ability to maintain its dividend, or to raise loans for development work. The absence of prior consultation convinced Prain that this was ‘a turning point’ in business-state relations, and that future consultation could not be expected. Instead, an increasing degree of state control over mining seemed inevitable, and the day of free enterprise was ‘nearing its end’: henceforth, Prain gloomily concluded, production targets and dividends would be decided by government.\textsuperscript{22} Significantly, the AMC was inclined to take a less pessimistic view. The Hochschilds
anticipated a decade of good business, requiring additional production, promising prosperity for RST. While more revenue might be extracted by the Zambian government, enough would remain to permit ‘rather substantial’ dividends to be paid. Early in October 1964, speaking to the Zambian Institute of National Affairs, Wina stressed that the Northern Rhodesian government had no quarrel with the mining companies, adding that expropriation of the territory’s mineral rights would have no effect on the government’s policy towards the companies: on the contrary, they would, said Wina, gain from the removal of that particular ‘millstone’. The new royalty arrangements which the government was keen to negotiate were intended, he explained, to promote greater efficiency within the mining industry, encouraging the mining of lower grade ores. Shortly after independence, Kaunda repeated that his government was not contemplating nationalisation: although there were popular expectations of ‘miracles’ from ‘the goose that laid the golden egg’, he pledged to approach discussions on taxation of the mining industry in a reasonable spirit. Nevertheless, as the British High Commissioner found, some Copperbelt managers believed that the desire to forestall government intervention in the industry had been a powerful incentive towards compromise and industrial peace in the unions’ day to day relations with the mining companies.

There was clearly relief in London that Lusaka appeared to be sincere in not seeking to nationalise the copper industry. The possibility of Soviet or Chinese intervention, raised by Prain, was now felt to be hypothetical, and the CRO was confident that it would receive adequate warnings if this became likely. Prain, too, late in 1964, appeared to take a more relaxed view of the industry’s prospects. It seemed improbable that such a deal would be seen by Kaunda as compatible with the non-aligned position he appeared to favour (a position considered unlikely to make Zambia willing to place its eggs in one basket in the Cold War). While Zambia might seek additional export outlets, possibly including the Communist bloc, there seemed no reason to assume that this would be ‘excessive’. Much, of course, would depend on Kaunda’s ability to retain control. Nevertheless, the significance of the successful resolution of the mineral rights issue was not lost on Whitehall. Without this, and had the Zambian government proceeded with a constitutional amendment to allow expropriation of the BSAC without compensation, then a political ‘chain reaction’ might have developed, bringing the copper companies under immediate threat. Kaunda himself appeared to be relieved that the need for constitutional amendment had been unnecessary, and that the doubts which
would have been created about Zambia’s general stance on external investment had not arisen. At the end of 1964, as the Financial Times commented, an ‘exciting year’ drew to a close. During the year, consumer pessimism had been marked, triggered by anxiety over the copper industry’s future both in Chile and in Zambia. In the latter, it was noted, the newly-independent government had ‘given many proofs of its responsibility and reasonableness’. Thus, an extraordinary chapter in Britain’s relationship with Africa, and of the development of one of its most vigorous constituents, was brought to a conclusion, and the excitements and tribulations of independence began.
Conclusion

The development of copper mining in Northern Rhodesia during the colonial period offers opportunities to test some of the key historiographical issues to emerge in recent studies of relations between business and the late colonial state. The importance of the Copperbelt to the British economy, and, indeed to the wider Sterling Area, between the early 1930s and at least the early 1950s seems clear. Perhaps one of the least contentious statements about Britain’s relationship with Central Africa in the middle decades of the twentieth century is that here was an example of large-scale overseas investment which brought rapid benefits to the metropole. By the time decolonisation in Britain’s Central African territories became a serious proposition, the immediate significance of Northern Rhodesian copper to Britain had, arguably, declined, as was true of many colonial commodities, so prized during and immediately after the Second World War. Although policy-makers in London voiced their concerns about the security of British and associated interests in Northern Rhodesia after independence, their concern was possibly framed as much in terms of denying potentially hostile powers access to the region’s mineral wealth as in terms of safeguarding Britain’s own considerable stake. In this sense, Central Africa’s future was viewed by Britain through the prism of Cold War calculations. Although there was an undoubted metropolitan concern to protect Britain’s interests in independent Zambia, seen, for example, in the determination to resolve the long-outstanding mineral rights issue, albeit at the eleventh hour (during which the British government’s anxieties about post-independence nationalisation without compensation were revealed), the case of Northern Rhodesia lends weight to the argument that decolonisation was primarily a political phenomenon, with economic considerations generally being allotted a secondary significance by London.¹
There is little question that the Northern Rhodesian government was heavily dependent on the revenue it received from the mining industry. As in other colonial situations, revenue from mining helped to finance a range of state services. This seems inevitably to have had a direct impact on the power relationship between business and the state, in the sense that, without the indirect, and sometimes direct, assistance provided by the mining firms, the state could not realistically hope to pursue its ever-lengthening list of developmental priorities. Apart from the always present concern about levels of taxation (with the added fear of an extraordinary, and discriminatory, export tax on copper), the mining industry appears to have been less exercised by the colonial state’s conversion to the development philosophy than was the case with business in some other colonial territories, in which increasingly dirigiste government policies created potential for friction with business. In Northern Rhodesia, the capacity of the state to act was constrained both by continuing financial problems (which both emphasised the state’s dependence on mining revenue, and were aggravated by the creation of the Federation in 1953), by the sheer scale of the development task to be undertaken, and latterly by the predominance of the Federal authorities in economic and financial matters. There is also reason to believe that the Northern Rhodesian government, keen though it was to press ahead with development, lacked the dynamism and initiative (and even the necessary expertise) to pose convincingly as an agent of ‘modernisation’, hence its continuing reliance on contributions to development by big business. Post-war colonial development in its classic expression stressed improvements in indigenous agricultural production, with increased popular participation in production, themes of little obvious relevance to large-scale, capital-intensive and technologically demanding sectors such as copper mining. On the other hand, the mining companies were generally willing to make sizeable financial contributions towards state-approved development projects, particularly where these would generate good-will towards the firms themselves and demonstrate the latters’ clear identification with the interests of their host country, critically important at a time of mounting political tensions. The fact that these gestures attracted highly favourable publicity for the firms was a welcome additional consequence, although this could inadvertently emphasise the shortcomings of other sectors of business, above all the BSAC. Moreover, the idea of greater African participation in economic development arguably found its equivalent in copper mining in the pursuit of ‘advancement’, albeit for practical, ultimately financial,
reasons. Its long-term effects could be expected in the diffusion of new skills, theoretically applicable to broader industrialisation and to ‘modernisation’ generally.

Only during the period of ‘bulk-purchasing’ was the relationship between business and the state apparently reversed, and then only temporarily. Even here, it is necessary to distinguish between the imperial state, which imposed and operated state trading, and the colonial government, which was frequently marginalised in the process (as, indeed, was the Colonial Office). For the most part, with this exception, copper mining in Northern Rhodesia was remarkably unaffected by state intervention during the colonial period, witnessing nothing like the initiatives to encourage development introduced by the state in South Africa, nor even the pragmatic initiatives in public control taken by its neighbour Southern Rhodesia. Sir Ronald Prain, who described himself as an ‘unashamed’ capitalist, convinced that private enterprise was the most efficient means of conducting mining, gave thanks that for most of his career, his activities had not been subject to government interference. Except on an issue as fundamental as price stabilisation, of enduring concern to the mining industry, the colonial government’s minimal activity, most evident during the Second World War, was prompted by an overriding preoccupation with securing the maximum possible revenue from the Copperbelt. This, perhaps, underscores the central feature of the Northern Rhodesian situation, namely that the state needed the mining industry more than the industry ever needed the state, their asymmetrical relationship normally being biased in favour of business.

Arguably, Whitehall departments other than the Colonial Office played the most important roles affecting the development of the Copperbelt. Here, the Ministry of Supply, responsible for devising and managing the regime of bulk-purchasing, and, significantly, reinforced during the war with recruits from the world of business, would be a prime example. This relative marginalisation of the Colonial Office resembles the situation White has identified in relation to post-war Malaya. In Northern Rhodesia, the Colonial Office’s role in mining affairs was often a secondary one: both the Office and the government in Lusaka, for instance, were sometimes unaware of the details of important agreements made between the mining industry and the Ministry of Supply/Materials. Nor did the Ministry regard the Colonial Office as a useful source of information, preferring to rely on Copperbelt producers for intelligence on developments in the industry. Further eroding what may remain of the mythical, monolithic imperial state
was the Colonial Office’s inability to defend what might be seen as Northern Rhodesia’s interests if these conflicted with those of Britain, particularly over the question of African advancement. Furthermore, rather than the close relationship between business and state which is proposed in the model of ‘gentlemanly capitalism’, it may be more accurate to describe the mining industry on the Copperbelt as being astute in learning to identify those branches of the imperial state with which it needed good relations, and which were worth cultivating. Notably, these often excluded the Colonial Office, which was seldom in a position to advance business interests.

If the imperial and colonial governments were far from reflecting a single view, what scope then, was there for a homogeneous stance within the mining industry? Certainly, convergences of interests did exist, but, arguably, it was RST which was at pains to achieve a ‘closing of ranks’ at critical times, rather than Anglo American. The possibility of important differences between the mining groups appears to have been real, and would weaken any concerted attempt at a ‘neo-colonialist’ strategy, even had one been attempted. There is little to suggest that key figures in the mining industry saw decolonisation as inconsequential, or as an opportunity to be capitalised upon. As in Malaya and the Gold Coast, the prospect of looming Zambian independence appears to have triggered genuine anxieties within the business community.5 This is not, however, to suggest that decolonisation was viewed entirely in negative terms. On the contrary, given their disappointing experiences with the late colonial state, and its clear failure to assist them with its most pressing difficulties, it is plausible that the mining industry, or particularly RST, looked to independence to usher in a new era in business-state relations, one which could possibly bring with it benefits to expatriate business and opportunities to tackle longstanding grievances, such as the manner in which mining royalties were calculated. The mining industry, in other words, may have felt that it stood to gain more than it might lose from decolonisation. Since this would hinge largely on the marginalisation of ‘radical’ elements within the post-colonial regime, and the continued authority in government of ‘moderates’ such as Kenneth Kaunda, there remained a margin of doubt wide enough to permit apprehension about the future. Admittedly, independence, brought with it an end to the political security which big business had enjoyed under colonial rule: henceforth, any investment would be associated with a heightened risk.6 Nevertheless, it is possible both to exaggerate the uncertainties facing Zambia in 1964, and to overstate the degree of security the
mining industry had felt under colonial rule, and throughout the life of the Federation. There had been recurring threats from settler politicians, adept at exploiting the populist possibilities of calls for nationalisation, and there had been persistent anxiety that taxation levels would rise, especially under a predatory Federal state.

Recent studies of the business dimension to British decolonisation have shown particular interest in the speed with which expatriate firms responded to political change. Perhaps the most important single change affecting the mining industry during the four decades surveyed by this book is the fact that business operated increasingly in a public arena. Progressive measures of constitutional change extended political power to a widening spectrum of ‘unofficials’, first settler, later African. The activities of the mining firms came under increasing scrutiny, not only within Northern Rhodesia, but progressively in Britain, and even internationally, as analysis of large firms in a colonial setting became a staple of Cold War rhetoric. In turn, the mining industry found itself increasingly constrained from overt interventions in political life, in view of the hostility these would evoke among an electorate already suspicious of the influence of big business. In the case of Northern Rhodesia and copper mining, what is striking is the scope for divergence in the mining firms’ reactions to political change, echoing, perhaps, the different priorities sometimes visible in their purely business strategies. Northern Rhodesia appears, therefore, to provide an example in which big business was not united in its response to the challenges of decolonisation, suggesting that the territory’s experience fits into a larger pattern shared by other territories. Anglo American was, above all, firmly grounded in South Africa, and was inclined to take a largely regional view of developments in Northern Rhodesia, affecting labour, politics, and so on. Invariably, the group was sensitive about the possible repercussions which developments in Northern Rhodesia might have on its interests in South Africa, increasingly in the grip of the apartheid regime. In contrast, the RST, possibly because of its American controlling interest, generally took a broader, even ‘global’ view of its interests, seen as much in its attitudes towards price stabilisation as in its responses to African nationalism. In discussing RST’s political behaviour before and during decolonisation, the contribution of the AMC’s Hochschild brothers demands particular attention. Theirs was no sudden, latter-day conversion to support for African self-government. Their sympathies towards fundamental political change in territories such as Northern Rhodesia can be traced to the late 1940s. During the mid-1950s, in the supposed ‘heyday’ of the
Federation, they were expressing an optimistic political teleology, complementing the influential predictions being made in the economic sphere by development economists such as W. Arthur Lewis. Just as Lewis emphasised the links between education in a colonial setting and economic development, so the Hochschilds stressed the connection between education and political advancement.

One possible consequence of divisions between the mining groups in Northern Rhodesia is that the state was led increasingly to rely on informal contacts with key business figures, effectively side-stepping formal representative bodies such as the Northern Rhodesian Chamber of Mines. In this respect, Sir Ronald Prain seems to have functioned not only as a valuable source of information for the British government on developments in the territory, but also to have been relied upon for intelligence on his opposite number, the more reticent and elusive Harry Oppenheimer of Anglo American. Given that Prain, enjoying easy access to ministers, the governor in Lusaka and senior civil servants, was effectively acting as an intermediary, forging links between London and African nationalists, this means that he performed an exceptionally important, and largely unrecognised, role. Yet it could be argued that the most important links Prain maintained were those with his major shareholders in New York, the AMC/AMAX. Distinguishable from a number of prominent southern African business figures in his degree of flexibility, his pragmatism, and above all in the sound judgement he demonstrated, Prain’s political role, while admittedly discreet, represented a temporary convergence between imperial interests and those of the companies which he led. It seems clear that the informal contacts with business favoured by government were also valued by the mining firms. Here, it is easier to speak with confidence about Prain and RST than about Oppenheimer and Anglo American, simply because the former has obligingly left such rich documentary traces of his activities, a reflection, possibly, of the more open, American-influenced business environment in which he operated, apparently so unlike the obsessively secretive world of South African mining. It is striking that important ideas were so often transmitted by the mining industry to government via individuals, rather than through NORCOM. Formal consultative machinery, such as the British Overseas Mining Association, appears to have functioned most effectively when dealing with single issues, such as taxation policy, on which a high degree of consensus within the copper industry was evident.

Nevertheless, on the more fundamental question of a convergence in outlook between business and the state, Northern Rhodesia can offer,
at best, ambiguous answers. For most of the period discussed here, the 'homogeneity' between the two, described by Cain and Hopkins, seems absent. Rather, the 'psychological and ideological divides', identified elsewhere by White, appear to permeate relations between government and the mining industry, until the eve of decolonisation. Throughout this story, the impatience of the industry with, and suspicion towards, government are consistent features. For civil servants, meanwhile, the spirit of 'romantic anti-capitalism', evident between the wars, was not easily discarded, even with the injection of fresh administrative blood after the Second World War. Perhaps adherence to it was an indulgence on the part of a colonial bureaucracy frequently condemned to inaction by temperament, inexperience and governmental penury. It is difficult to escape the conclusion that, well into the stage of late colonialism, officials would have preferred not to have had to deal with mining and the complications which it appeared to create, particularly, though not exclusively, in the field of labour relations and the rival militant unions to which it gave rise. In its dealings with the mining industry, the colonial state never entirely escaped from the reactive position characteristic of colonial governments of the hesitant, inter-war years, still less could it be said ever to have formulated a coherent policy on mining questions. Nor did the state ever convincingly extricate itself from its crippling financial dependence on the mining industry, bestowing to its successors a dangerous reliance on exports of a single commodity. Already faced with the increasing complexities of late colonial rule, and the political bargaining and rapid adjustments which these demanded, officials, whether in London or Lusaka, never mastered the equally complex world of mining, and so their relationship with large mining firms was always fated to be an inferior one.
Notes

Introduction

3. The overriding concerns of the book with issues of colonial policy, and the nature of the colonial state and its functions, are reflected in the archival research on which it is based. Central to this have been British government records, particularly the records of departments with a direct interest in developments on the Copperbelt. Among these, most important was the Colonial Office, whose regular, and increasingly voluminous, correspondence with the Northern Rhodesian government gives important indications of the preoccupations of both London and Lusaka. Periodically, as will be seen, other Whitehall departments took a marked, if sometimes transient, interest in Northern Rhodesian affairs, and extensive use has been made of their records. The book makes no claims to be a conventional study of ‘business history’. It has not been possible, for example, to consult the archives of the Anglo American Corporation, without which a full appreciation of business strategy in the Northern Rhodesian mining industry is, arguably, impossible. Attempts have nevertheless been made to compensate for such important lacunae by incorporating, where possible, material from private archives which illustrates the predominant concerns of the industry.


16. Hopkins, ‘Imperial business in Africa. Part II’, 283. As Hopkins points out, expatriate firms were liable to attract criticism whether they adopted dynamic policies (and so stood accused of exploitation) or invested cautiously (being accused of lethargy and simple extraction of profits): ibid., 285.


30. While it is not possible to rehearse here the many ramifications of the ‘gentlemanly capitalist’ thesis, or the diverse responses to it, it is appropriate to note that the model has undergone continuing refinement at the hands of its creators. Inspired by the work of Susan Strange, Hopkins, for example, has distinguished between ‘structural’ power (which enables those possessing it to enjoy a predominant influence on the conventions governing international relations, and particularly to promote the British state’s traditional interests, including free trade, low taxation and ‘sound money’) and ‘relational’ power, exercised in the negotiations and disputes arising from particular situations within this broad context. In this reading of the ‘gentlemanly order’, it was perfectly feasible for differences over means to be resolved within a broad framework of agreed ends: see A.G. Hopkins, ‘Informal Empire in Argentina: an alternative view’, Journal of Latin American Studies, 26 (1994), 469–84; S. Strange, States and Markets (London, 1988), esp. ch.2; S. Akita, ‘Introduction: from Imperial History to Global History’, in Akita (ed.), Gentlemanly Capitalism, 1–2; for a considered response to the criticism of their work, and a development of their thinking on ‘structural’ and ‘relational’ power, see P.J. Cain and A.G. Hopkins, ‘Afterword: the theory and practice of British imperialism’, in R.E. Dumett (ed.), Gentlemanly Capitalism and British Imperialism: the New Debate on Empire (London and New York, 1999), 204–6.


40. Hopkins, ‘Imperial business in Africa’, 272. See also W.G. Clarence-Smith, ‘The organisation of “consent” in British West Africa, 1820s to 1960s’, in S. Marks and D. Engels (eds), Contesting Colonial Hegemony: State and Society in Africa and India (London, 1994), 55–78. Responding to criticism that their ideas struggled to accommodate diverse regional and sectoral experiences within the British Empire, Cain and Hopkins have, disarmingly and discreetly, commented that their intention was never to suggest that colonial business formed part of the City’s ‘gentlemanly elite’, and that it is therefore unsurprising that during the era of decolonisation, ‘markedly different’ views might have been expressed in exchanges on future colonial policy: Cain and Hopkins, British Imperialism, 11–12, n58. This observation not only emphasises the resolutely metropolitan focus of British Imperialism but promises, when fully developed, to have major consequences for future study.

41. White, Business, Government, and the End of Empire, 42.


46. M. Kahler, Decolonization in Britain and France. The Domestic Consequences of International Relations (Princeton, 1984), 310; White, Business, Government, and the End of Empire, 1–2, 8.

47. See, e.g., Stockwell, The Business of Decolonization, 294.


1 The Colonial State and the Development of the Copperbelt


6. Oppenheimer, in presidential address to the third Empire Mining and Metallurgical Congress, South Africa, 1930, cited in Coleman, *The Northern Rhodesia Copperbelt*, 60–1. In the year before 1939, for example, Luangwa Concessions Limited, in which Anglo American had a substantial interest, spent nearly £650,000 on abortive prospecting: NA DO 183/221, ‘Joint memo.’, 11 July 1963.


13. Given the tradition of hostility towards US penetration of the British colonies, it is interesting that among the religious movements flourishing in Northern Rhodesia in the 1920s was a common allegation that Britain’s presence in the territory depended on the acquiescence of the Americans. See Gann, History of Northern Rhodesia, 231.
15. RLPP Box 1, Folder 1, H.K. Hochschild to D.C. D’Eath, 14 Dec. 1949; Roberts (1982), 348.
16. Cunningham, The Copper Industry, 73, 83; T. Gregory, Ernest Oppenheimer and the Economic Development of Southern Africa (London, 1962), 415. Early in 1929, in conversation with the Governor of Northern Rhodesia, Sir James Maxwell, Oppenheimer had said that although American capital was involved in Rhodesian Anglo American, the controlling interest was British, and that it was his, and his colleagues’ intention that this should remain the case: see NA CAB 27/425, J.C. Maxwell to Secretary of State, 11 Feb. 1929. Ironically, Anglo American, incorporated in 1917, had been an early beneficiary of the influx of American capital into South Africa, including copper mining finance. While this stimulated South Africa’s industrialisation, the Corporation’s subsequent development relied primarily on South African and British capital: see Duignan and Gann, The United States and Africa; A. Roberts, The Colonial Moment in Africa. Essays on the movement of minds and materials, 1900–1940 (Cambridge, 1990), 89.
17. Alford and Harvey, ‘Copperbelt merger’, 350. These circumstances, in Oppenheimer’s view, were threatening to exclude British influence from South Africa.
25. Phillips, ‘Roan Antelope’, 240. As Coleman has noted, Oppenheimer felt that amalgamation of the two groups would aid in resisting domination
of the world copper market by the United States, as well as safeguarding Northern Rhodesia as an essentially British sphere, less vulnerable to manipulation in the interests of American mining: see Coleman, *The Northern Rhodesia Copperbelt*, 66. The contrary view is that while a merger might have made sound business sense, it would have conflicted with Oppenheimer’s overriding concern to promote the development of southern Africa under British influence: Alford and Harvey, ‘Copperbelt merger’, 354.

26. NA CO 795/30/15, Maxwell to Secretary of State (Leopold Amery), 28 Feb. 1929.

27. Gann, *History of Northern Rhodesia*, 207.

28. See, e.g., P.S. Gupta, *Imperialism and the British Labour Movement, 1914–1964* (London, 1975), 249. The Copperbelt’s reliance on American personnel drew criticism from Prof. K. Neville Moss, of Birmingham University’s Mining Department. Moss, who had recently toured southern Africa, including Northern Rhodesia, with the Empire Mining and Metallurgical Congress, deplored the reluctance of British youth to enter the mining industry, ‘a man’s job’, and asked whether the pioneering spirit of Empire-building was dead: letter to *The Times*, 19 May 1930.

29. *The Economist*, 14 Sept. 1929. Such thinking was echoed within the Board of Trade, which considered it ‘probable’ that Northern Rhodesia would soon become the most important copper-producing territory of the Empire, while conceding that it was ‘doubtful if any large and rapid increase in production could be obtained anywhere but in the United States at the present time’: see NA SUPP 3/69, PSO (BT10) CID Principal Supply Officers Committee, Board of Trade Supply Organisation, ‘Memorandum on Copper’, April 1928.

30. NA CO 795/30/1, minute by W. Ormsby-Gore, 20 March 1929. Ormsby-Gore’s optimism about the Copperbelt’s potential led him to be highly critical of the recent findings of the Hilton-Young Commission, which had investigated the scope for closer association between the Central African territories and Britain’s East African colonies. Ormsby-Gore, who had himself chaired a similar investigation in 1925, subsequently reached the conclusion that Northern Rhodesia, thanks to its copper wealth, would come to overshadow Kenya, Tanganyika and Southern Rhodesia in economic terms. Privately berating the Hilton-Young Commission for failing to appreciate the likely impact of the Copperbelt’s development, Ormsby-Gore added that the Commission had ‘“missed the bus” completely in Northern Rhodesia as elsewhere’ (ibid.).


40. Barber, *Economy of British Central Africa*, 123. Within the Colonial Office, there was unease about the motives behind the restriction scheme. J.F.N. Green, who had already recorded his concern about American financial influence in the Northern Rhodesia, subsequently commented that ‘the only reason why supplies of Empire copper are not at present adequate is that the magnificent Rhodesian mines have been closed down to benefit American capitalists’: see NA CO 795/48/14, minute, 15 Dec. 1931, and CO 323/1191/4, minute, 3 Dec. 1932.
42. NA DO 35/329/6, P. Leigh-Smith (Foreign Office) to Secretary-General, League of Nations, 19 Sept. 1933. Accordingly, Roan Antelope played a major role in creating a new cartel in 1935: see Baldwin, *Economic Development*, 34.
43. For example, between 1928 and 1932, when it went into production, Roan Antelope absorbed £4.53 million in development costs. In the case of Roan, so much had already been invested by the onset of the Depression, and such was the confidence of the company that it would be a low-cost producer, that the decision was taken, despite the difficult prevailing atmosphere, to proceed with plans for production: see Cunningham, *The Copper Industry*, 95–7.
49. NA CO 795/53/2, Confidential memorandum from Sir Auckland Geddes to Secretary of State, 13 June 1932; ibid., Bancroft to Currie, 23 June 1932; ibid., Geddes to IDAC, 27 June 1932.
50. Drummond, *Imperial Economic Policy*, 202, 275. The Colonial Secretary considered that this arrangement would be ‘extraordinarily useful’ to Northern Rhodesia: see NA CO 795/32/2, letter from Secretary of State to Sir Samuel Wilson, 18 August 1932.
51. Gann, *History of Northern Rhodesia*, 256.


59. NA CO 795/30/15, J.F.N. Green to Secretary, Committee of Imperial Defence, 21 March 1929.

60. NA CAB 27/425, PSO (46th meeting), 13 May 1929; see also NA BT 56/42, H.F. Hill (Private Secretary to the President, Board of Trade) to H.D. Hancock, 9 August 1929.

61. NA CO 795/30/15, H. Fountain (Commercial Relations and Treaties Department, Board of Trade) to Under-Secretary of State, Foreign Office, 24 Oct. 1929.

62. NA T 161/661, Sir Richard Hopkins (Treasury) to Sir H.P. Hamilton (Board of Trade), 23 Nov. 1931.

63. NA CO 795/60/7, memorandum by Sir J. Campbell, 29 March 1933; CO 795/60/8, minute by Sir J. Campbell, 7 April 1933.

64. NA CO 795/60/8, enc. to despatch from Governor, Northern Rhodesia to Secretary of State for the Colonies (Philip Cunliffe-Lister), 9 June 1933. The Governor briefly tried to make the application conditional on the Corporation accepting a profit-sharing scheme, but the Rhokana board was ‘absolutely opposed’ to this idea, arguing that it would make the CDF loan too expensive. However, as the Corporation pointed out, if the loan were forthcoming, Rhokana would spend a ‘very considerable’ sum in Britain on materials and equipment, even though other sources might be cheaper. When the Colonial Secretary sided with Rhokana, the Governor’s proposal was withdrawn. See NA CO 795/60/8, Sir John Campbell to S.S. Taylor (Rhokana), 6 July 1933; S.S. Taylor to Sir John Campbell, 7 July 1933; S.S. Taylor to Sir John Campbell, 12 July 1933; Secretary of State to Governor, Northern Rhodesia, 11 July 1933; Governor to Secretary of State, 17 July 1933; CDAC 1283A, Supplementary Colonial Office Memorandum, ‘Electrolytic Refinery in Northern Rhodesia’, 18 July 1933.

65. NA CO 795/60/8, J.B. Williams (Secretary, CDAC) to Under-Secretary, CO, 8 August 1933. During the lifetime of the Colonial Development Act (1929–1940), the proportion of aid provided to mineral development schemes accounted for nine per cent of the total assistance made available to the colonial territories: see D. Meredith, ‘The British Government and colonial economic policy, 1919–39’, Economic History Review, 2nd ser., XXVIII, (1975), 493.

66. In 1937, for example, when the Cabinet discussed the political future of British Central Africa, the point was made that: ‘These mines may before long be the governing factor in the copper markets of the world, and their output will become essential to national defence in the event of war and of primary importance to the Empire’s trade and manufacture in peace time’, cited in Berger, Labour, Race and Colonial Rule, 1.
67. Gann, ‘The Northern Rhodesian copper industry’, 8; Cunningham, *The Copper Industry*, 175.
71. See, e.g., R. Brooks, ‘How the Rhodesian coppers were found’, *Engineering and Mining Journal* (1944), cited in F.L. Coleman, *The Northern Rhodesia Copperbelt 1899–1962* (Manchester, 1971), 78–9. When prospecting in the early 1920s, Brooks was refused government help in road-building. Brooks’ discoveries would lead ultimately to the development of the Nchanga mine.
73. Coleman, *The Northern Rhodesian Copperbelt*, 71.
74. Maj. G. St. Orde Browne, *Labour Conditions in Northern Rhodesia*, Colonial No.150 (London, 1938), 5. Nevertheless, from the government’s point of view, the initial phase of developing the Copperbelt had placed considerable strain’s on public revenue, at a time when the copper industry was not expected to contribute to this revenue for some years to come: see NA CO 795/30/1, Maxwell to L.S. Amery, 17 Jan. 1929. The government had found the provision of public services to the inhabitants of the mining townships a source of ‘constant difficulty’, having overestimated the numbers of non-mining personnel who would be attracted to the Copperbelt, as well as the likely scale of their needs: see NA CO 795/62/12, Sir Ronald Storrs (Lusaka) to Sir Philip Cunliffe-Lister, 19 Sept. 1933.
76. See, e.g., NA CO 795/91/21, Sir Alan Pim to F.G. Lee (CO), 4 Sept. 1937; Gann, *History of Northern Rhodesia*, 207.
78. Sir A. Cohen, *British Policy in Changing Africa* (London, 1959), 82. The fact that the Colonial Office lacked specialist advice of its own on mining matters was commented on critically by Prof. W.M. Macmillan in *The Times* in July 1933. In practice, the Office relied on the Legal and other committees of the Imperial Institute when it required technical expertise. An offer by the then Secretary for Mines in the Gold Coast to work for the Office in an advisory capacity was rejected on grounds of cost: see NA CO 323/1221/1, Sir William Furse (Imperial Institute) to
G.L.M. Clauson (CO), 18 July 1933; Sir S.H. Wilson (CO) to Sir William Gowers, 23 May 1933.


80. Orde Browne, Labour Conditions in Northern Rhodesia, 5.


84. ‘Introduction’, in Engels and Marks, Contesting Colonial Hegemony, 9; Clarence-Smith ‘The organisation of “consent”’, 57.


90. E. Oppenheimer to A.C. Geddes, 19 August 1930, quoted in Alford and Harvey (1980), 345. Such views were not, of course, confined to RAA: they were held with equal vehemence by Chester Beatty: see Prain, *Reflections*, 90–1.


95. The Northern Rhodesian government did not see the situation in quite such simple terms. In 1929, Governor Maxwell reminded the Colonial Secretary, Leopold Amery, that mining development had entailed additional government expenditure, although there had not yet been any corresponding increase in revenue. While the mining companies were making optimistic predictions, these would not come to fruition for 'some years'. See NA CO 795/30/1, Maxwell to L.S. Amery, 17 Jan. 1929.


97. NA CO 795/53/4, D.M. Kennedy (Acting Governor, Northern Rhodesia) to Secretary of State (Philip Cunliffe-Lister), 7 Nov. 1932.

98. NA CO 795/61/5, Secretary of State to Governor, Northern Rhodesia, 29 March 1933. This was not the first time that such a tax had been suggested. In 1929, Colonial Secretary Ormsby-Gore proposed an export tax on copper to help pay for the public services required by the Copperbelt's development, because the government would derive nothing directly from mineral production. See NA CO 795/30/1, minute by Ormsby-Gore, 20 March 1929. This theme would re-emerge when extra sources of revenue were required.

99. NA CO 795/61/5, telegram from Major Leslie Pollak, a director of the Rhokana Corporation, Johannesburg, to Governor, Northern Rhodesia, 5 April 1933. Sir Ernest Oppenheimer's brother-in-law, Pollak had been made managing director of RAA in South Africa, and subsequently the Rhokana Corporation's managing director in Johannesburg. He was an important source of local advice for Oppenheimer: see Gregory, *Ernest Oppenheimer*, 442 and Coleman, *The Northern Rhodesia Copperbelt*, 42.

100. NA CO 795/61/5, S.S. Taylor (Managing Director, Rhokana Corporation) to Sir Samuel Wilson (Colonial Office), 7 April 1933; S.S. Taylor and A.D. Storke to Secretary of State, 28 April 1933.

101. NA CO 795/61/5, D.M. Kennedy, Governor's Deputy, Northern Rhodesia, to Sir Philip Cunliffe-Lister, 3 May 1933.

102. NA CO 795/61/5, J.F.N. Green (Colonial Office) to S.S. Taylor and R.J. Parker (Roan Antelope), 30 May 1933; replies from Taylor and Storke, 7 June 1933.


105. P. Slinn, 'The legacy of the British South Africa Company: the historical background', in M. Bostock and C. Harvey (eds), *Economic Independence*.
and Zambian Copper: A Case Study of Foreign Investment (New York, 1972), 35.

106. NA CO 795/45/2, minutes by J.L. Rowan, 16 March 1931, J.F.N. Green, 20 March 1931, and Drummond Shiels, 1 April 1931.
107. NA CO 795/26/7, Maxwell to Amery, 20 August 1928.
109. NA CO 795/67/1, note of meeting in the Colonial Office, 9 August 1934.
111. NA CO 795/67/1, note of 10th meeting in CO, 30 Jan. 1934.
116. Between 1923 and 1940, the Company received more than one million pounds in royalties, giving it some compensation for its costs of administering the territory before transferring its responsibility to the Colonial Office. See Roberts, ‘Notes towards a financial history’, 351–3.
118. Roberts, History of Zambia, 193; Berger, Labour, Race and Colonial Rule, 8, 22–3. In these circumstances, Young’s proposal to introduce tax relief for Europeans amounting to £30,000, while simultaneously proposing a Central Native Treasury Fund, totalling only £25,000, to promote African economic and social development, struck the Colonial Office as being curiously imbalanced, given the relative sizes of the territory’s European and African populations: see NA 795/91/21 Sir Hubert Young to CO, 7 August 1937, and minute by Trafford Smith, 22 August 1937. Smith considered these interim financial plans to involve ‘one of the governor’s schemes for “unwarranted concessions to settlers”’.
121. Report of the Commission appointed to enquire into the financial and economic position of Northern Rhodesia (Colonial Office No.145, 1938).
122. NA CO 795/91/21, Pim to F.G. Lee (CO), 4 Sept. 1937.
130. NA 407/702, briefing notes for Commons debate on Colonial Service Estimates; Slinn, ‘Commercial concessions’, 372–3; Gann, History of Northern Rhodesia, 58–64.


133. NA T 161/106, S.8254, Henry Lambert (CO) to Secretary, Treasury, 21 March 1921; Slinn, ‘The legacy’, 33–4.

134. NA CO 407/702, Greenwood (Treasury Solicitor) to Davis (Colonial Office), 25 Sept. 1923, quoted in Slinn, ‘Commercial concessions’, 373.

135. NA CO 795/51/9, minute by Sir Cecil Bottomley, 14 April 1932.


137. Slinn, ‘The legacy’, 33–4; Slinn, Commercial concessions’, 372; see also Northern Rhodesian Government, The British South Africa Company's Claims to Mineral Royalties in Northern Rhodesia (Lusaka, 1964). Malcolm had previously been a member of the Colonial Office staff, and, by the late 1920s, had become an unofficial ‘liaison officer’ between the Company and the Office: see NA BT 56/42, G.F. Seel (CO) to N.R.C. Warwick (Private Secretary to Sir Oswald Mosley), 2 August 1929.

138. NA CO 795/30/1, Maxwell to Amery, 17 Jan. 1929.

139. Slinn, ‘Commercial concessions’, 374–5. As Pim commented, the prospects for the mining industry remained uncertain in the late 1930s, and ‘the greater part of what would normally be Government income goes to the British Government or the B.S.A. Company’: NA CO 795/91/21, Pim to F.G. Lee (CO), 4 Sept. 1937.


146. NA CO 795/85/6, Sir Hubert Young to Ormsby-Gore, 26 August 1936.

147. NA CO 795/85/6, minutes by J.A. Calder and Sir J. Campbell, 24 Sept. 1936.

NA CO 795/85/6, record of meeting in Colonial Office attended by Sir Cecil Bottomley, Sir John Campbell, J.A. Calder and Sir Hubert Young, 25 Jan. 1937. See also minutes by J.A. Calder, CO 795/91/21, 17 Feb. 1937 and Sir J. Campbell, 18 Feb. 1937. Sir John Campbell had noted that Young lacked an ‘effective lever’ with which to drive down the royalties’ commercial price. Were the much-discussed amalgamation of the two Rhodesias to proceed, however, ‘such a lever might emerge’: ibid.

NA CO 795/91/21, minute by Ormsby-Gore to Sir Cecil Bottomley, 16 Feb. 1937. Interestingly, Ormsby-Gore considered such a move would be good for Northern Rhodesia because the BSAC was likely to take an increasingly narrow view of the ‘paramount interest’ of its shareholders, ‘rather than Rhodes’s view that its raison d’être is to develop & help the country & people of South-Central Africa’.

NA CO 795/90/14, minute by J.A. Calder, 18 August 1937.

NA CO 795/90/14, minute by Sir Cosmo Parkinson, 22 Nov. 1937. As one official noted, ‘none of us, of course, has ever wished to re-open this controversy with the British South Africa Company’: see CO 795/90/14, minute by H. Duncan, 9 Nov. 1937.

Hailey, African Survey, 1521.

NA CO 795/88/8, confidential despatch from Ormsby-Gore to Governor, Northern Rhodesia, Sir Hubert Young, 20 Jan. 1938. Slinn argues that in 1937, although resisting calls for an investigation of the BSAC’s claims, Ormsby-Gore demonstrated no personal sympathy for the Company: rather, he argues, the Colonial Secretary supported, in principle, the Northern Rhodesian government acquiring the territory’s mineral rights, fearing that the Company would inevitably place the interests of its shareholders first: Slinn, ‘Commercial concessions’, 373.

NA CO 795/99/12, Sir H. Young to Ormsby-Gore, 19 March 1938.

NA CO 795/99/12, minute by A.B. Cohen, 29 March 1938.

NA CO 795/99/12, minute by Ormsby-Gore, 1 April 1938; ibid., note for Secretary of State by A.B. Cohen, 26 April 1938.

NA CO 795/99/12, minute by A.J. Dawe to Sir C. Parkinson, 26 Oct. 1938.

Slinn, ‘Commercial concessions’, 376. In 1937, for example, copper sales worth £11.5 million had yielded royalties worth £274,000: see Roberts, ‘Notes towards a financial history’, 351, citing Report of the Commission appointed to enquire into the financial and economic position of Northern Rhodesia, 83.

The despatch was published in the Northern Rhodesia Government Gazette, Vol. XXIX, No. 9, 10 March 1939.


Ashton and Stockwell, Imperial Policy and Colonial Practice, 1925–1945 (London, 1996), Ivi–Ivii. MacDonald’s desire to investigate the scope for harmonisation of the ‘native’ policies of the two Rhodesias and
Nyasaland was an important catalyst in the Colonial Office's decision to appoint Lord Hailey to conduct fresh research, later published as Native Administration: see NA CO 847/15/1, minute by MacDonald, 5 Sept. 1939.


168. Although on the eve of war, Northern Rhodesia’s political future remained uncertain, some feared that the territory was on a course of development, similar to South Africa’s, which would entrench white privileges and power at the expense of the African majority: see, e.g., W. Arthur Lewis, ‘African economic problems’, in The Keys 5, 1 (July–Sept. 1937), 16, cited in R. Tignor, W. Arthur Lewis and the Birth of Development Economics (Princeton, New Jersey, 2006), 35.

169. Slinn, ‘Commercial concessions’, 379; Gann, History of Northern Rhodesia, 267. Southern Rhodesia’s 1923 constitution had precluded the amendment of mining revenue arrangements, or ‘extraordinary’ taxation on minerals which, as in Northern Rhodesia, remained in the hands of the BSAC. By 1933, however, convention had modified this framework, permitting the Legislative Assembly to initiate laws affecting the mining industry: see I.R. Phimister, An Economic and Social History of Zimbabwe, 1890–1948: capital accumulation and class struggle (London, 1988), 117, 179–80.


181. Birmingham and Martin, History of Central Africa, 225–6. Significantly, the tin mining companies of Nigeria urged the colonial administration of that territory to adopt similar machinery to that created by the BSAC, but this was refused: see Freund, Capital and Labour.

182. Roberts, History of Zambia, 186–7. Because of the scarcity of the skills of European workers, the mining companies offered attractive financial inducements, in terms of high wage levels.
190. Clarence-Smith, ‘The organisation of “consent”’, 57–8. Clarence-Smith develops this point by suggesting that the failure of firms in Africa to produce manufactured goods for export in substantial quantities implied that their labour costs might in reality have been relatively high. On the question of migrant labour, while admitting that the wages paid to African workers may have been relatively low, he argues that ‘recruitment expenses were so high and the productivity of such labour so low, that this was often expensive labour in comparative world terms’.
191. Quoted in the *Financial Times*, 26 November 1929; Cunningham, *The Copper Industry*, 156.
192. Rhodesian Anglo American, *Mining Developments in Northern Rhodesia* (Johannesburg, 1929), 63.
Roberts, *History of Zambia*, 188. An interesting exception to this general rule was Sir Herbert Stanley’s successor as Governor, Sir James Maxwell. Following the economic set-backs suffered by settler farmers during the 1920s, Maxwell reversed his predecessor’s policies, concluding that Northern Rhodesia was not, after all, destined to be a ‘white man’s country’. Voicing views highly unorthodox for the time, he argued in 1930 that ‘detribalisation’ on the Copperbelt need hold no terrors: rather, he saw potential benefits in introducing Africans to regular work, while the new copper mining industry had brought with it many new amenities. Maxwell even hoped that migrant workers, returning to their rural homes, would be dissatisfied with what they found, and become a catalyst of change. Cutting across all the accepted nostrums of contemporary colonial policy, Maxwell welcomed the possibility that such workers would reject tribal authority altogether. See Birmingham and Martin, *History of Central Africa*, 245 and Sir James C. Maxwell, ‘Some aspects of Native Policy in Northern Rhodesia’, *Journal of the African Society*, xxix, CXVIII (Oct. 1930).

216. Cooper, *Decolonization and African Society*, 52–3. Critics of the migratory labour system argued that it robbed African villages of their most productive manpower. Such allegations, prominent on the political centre-left, fed into more basic demands for measures to ensure that mining development was adequately controlled, and that its benefits contributed to the development of whole territories and not merely sectors within them. See, for example, W.M. Macmillan, *Africa Emergent: A Survey of*

217. Roberts, History of Zambia, 188.

220. Cooper, Decolonization and African Society, 45–6; Roberts, History of Zambia, 186. As the acting governor pointed out in response to a question by Arthur Creech Jones in Parliament in April 1938, the issue of African education was closely related to the policy of removing children from the Copperbelt to rural areas. Malcolm MacDonald had been prompted to point out that until rural educational facilities were adequate, it would ‘hardly be fair to repatriate children whom their parents wish to have educated…’ Both Pim and Orde Browne had found educational facilities for Africans on the Copperbelt ‘quite inadequate’ (Pim noting the ‘demoralised and uncontrolled mass of children… who were drifting largely into young hooligans’). As Andrew Cohen argued, even if it was the government’s policy to return miners’ children to the villages at the age of ten, a considerable expansion of schooling in the Copperbelt would still be necessary: see NA CO 795/103/5, Logan to MacDonald, 8 June 1938; MacDonald to Logan, 13 July 1938; minute by A.B. Cohen, 27 June 1938. By early 1939, the government in Lusaka had committed itself to providing schooling for all African children in the mining areas by 1943: see CO 795/110/24, F.J. Pedler to Hon. General Secretary, British Commonwealth League, 18 March 1939. When pressed for further information, the Colonial Office regretted having tried to explain the Northern Rhodesian government’s plans: ‘There is little enough to show at present; it is all largely a matter of what the next four years will bring’, see CO 795/110/24, minute by G. Seel, 23 June 1939.

222. Roberts, History of Zambia, 188.
223. Ferguson, ‘Mobile workers’, 396, citing Perrings, Black Mineworkers, 96–7. One historian has taken this analysis further, arguing that from the earliest stages of development, the mining companies had sought a competitive advantage over labour markets to the south by encouraging wives and children to join workers on the Copperbelt, and that women were living on mining compounds in Northern Rhodesia from the earliest days: see G. Chauncey Jr., ‘The locus of reproduction: women’s labour in the Zambian Copperbelt, 1927–1953’, Journal of Southern African Studies, 7, 2 (1981), 137, 142.


228. Hargreaves, Decolonization, 37; Berger, Labour, Race and Colonial Rule, 28; Phillips, ‘Roan Antelope’, 230–1. Significantly, the government’s plan was unpopular not only among mineworkers, but also among the mining companies.
231. Ibid.
240. NA CO 323/1077/10, circular despatch, 17 Sept. 1930.
251. *Labour Conditions in Northern Rhodesia*, 80, 86. As Berger notes, in the four years after 1937, the number of colonial governments with labour departments or dedicated staff trebled to 33. Labour departments had come to be seen in the Colonial Office as the foundation of colonial labour policy, without which further development was impossible: Berger, *Labour and Colonial Rule*, 81. Significantly, this was seen as being a greater priority than the encouragement of workers’ own organisations: Col. No. 185, *Labour Supervision in the Colonial Empire, 1937–1943* (1943), 4.
254. Ashton and Stockwell, *Imperial Policy*, lxxxiv; Cooper, *Decolonization and African Society*, 62. Conscious of the resistance his initiative was likely to provoke, Ormsby-Gore had told Orde Browne, ‘You and I have got to be rather radical specimens of Tory’: ibid.
2 Wartime Mobilisation

5. NA CO 822/111/29, 21 March 1942.
7. E.L. Berger, *Labour, Race and Colonial Rule: the Copperbelt from 1924 to Independence* (Oxford, 1974), 54; Dumett, ‘Africa’s strategic minerals’, 393. During the entire period of the war, the Ministry of Supply obtained the following approximate tonnages of copper: Northern Rhodesia,
1,260,000; Belgian Congo, 700,000; Canada, 640,000; South Africa, 100,000: see NA BT 131/104, ‘History of the Non-Ferrous Metals Control’, July 1947.


10. A.F. Eckes, Jr., The United States and the Global Struggle for Minerals (Austin, 1979), 95–6, 112–14, 122.


17. NA CO 852/257/6, record of meeting in Colonial Office, 14 Sept. 1939; ibid., minute by E. Melville, 28 Nov. 1939.

18. Prain, Reflections, 58.

19. NA CO 852/257/6, Fennelly (Ministry of Supply) to G.L.M. Clauson (CO), 18 Dec. 1939.

20. NA CO 795/131/5, T. Turner (MoS) to A.B. Cohen (CO), 3 March 1944. Much of this expansion drew on plant obtained from the United States under the Lend-Lease programme: see NA CO 852/411/4, Secretary of State to Governor, Northern Rhodesia, 27 April 1943.


22. NA CO 852/503/3, G.L.M. Clauson (CO) to James Ainsley, Secretary, Manchester Chamber of Commerce, 11 Jan. 1945.

23. Cowen and Westcott, ‘Imperial economic policy’, 48. Whereas commodity marketing schemes introduced in West and East Africa were in part a response to the collapse of traditional markets before or during the war, demand for copper had been relatively buoyant. The copper purchasing scheme also differed from other state marketing schemes where the prices paid, often to peasant producers, were generally the minimum compatible with political stability. See D. Meredith, ‘State controlled marketing and economic “development”: the case of West African produce during the Second World War’, Economic History Review, 2nd ser.,


29. Roberts, ‘Notes towards a financial history’, 350

30. NA CO 852/319/9, minute by Boyse, 21 March 1940.

31. NA CO 795/125/11, minute by Lambert (CO), 7 June 1941; J. Fisher (Bank of England) to S. Caine (CO), 19 June 1941.

32. Only days after the outbreak of war, G.L.M. Clauson noted that the Ministry of Supply wanted ‘every ounce’ of copper that Northern Rhodesia could produce: NA CO 852/257/6, minute, 13 Sept. 1939. For the contrasting experience of the Gold Coast, see Stockwell, *The Business of Decolonization*, 167.

33. NA CO 852/319/9, Secretary of State to Northern Rhodesia, 13 Nov. 1940; ibid., J. Archer (MoS) to M.A. Greenhill (CO), 22 Nov. 1940; ibid., Secretary of State to Governor, Northern Rhodesia, 27 Nov. 1940.

34. NA CO 852/319/9, Secretary of State to OAG, Northern Rhodesia, 4 March 1941.


38. NA CO 852/257/6, minute by G.L.M. Clauson, 29 Nov. 1939.

39. NA CO 852/320/1, P.J. Pike (MoS) to S. Caine (CO), 27 May 1940.

40. NA CO 852/320/1, S. Caine to P.J. Pike (MoS), 29 May 1940.

41. NA CO 852/320/1, F.G. Lee (Treasury) to P.J. Pike (MoS), 17 June 1940.

42. J. Hurstfield, *The Control of Raw Materials* (London, 1953), 184–5. The remaining capital required for the project was supplied by private subscribers.

43. This was the conclusion of the Combined Copper Committee, created in Washington in February 1943 by the US, Britain and Canada. Consisting of representatives of the Combined Production and Resources Board and the Combined Raw Materials Board, the Committee reported in September 1943: see *The Times*, 12 Feb. 1943 and 29 Sept. 1943, and NA BT 131/104, ‘History of the Non-Ferrous Metal Control’, July 1947.

44. Gann, ‘The Northern Rhodesian copper industry’, 10.


47. NA CO 852/410/14, telegram from Secretary of State to Sir John Waddington, Northern Rhodesia, 9 Sept. 1943.
48. NA CO 795/125/12, minute by A.B. Cohen, recording meeting with Prain, 12 Nov. 1943. Prain estimated that production of ore per European miner per shift had fallen from 29.7 tons in 1940 to 23.6 tons in November 1943; the corresponding figures for African workers were 2.08 tons and 1.73 tons.

49. NA CO 852/521/2, Sir John Waddington, Northern Rhodesia, to Sir Arthur Dawe (CO), 30 March 1943.

50. RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 6 Jan. 1943.

51. Prain, Reflections, 74–5, 79–80, 82. When Prain made his visit, it was the first by a member of the RST board since the outbreak of the war, apart from that by his predecessor, A.D. Storke.

52. NA CO 795/125/12, minute by A.B. Cohen, recording meeting with Prain, 12 Nov. 1943.


54. NA CO 852/495/6, Sir John Waddington (Northern Rhodesia) to Secretary of State, 8 Nov. 1941.


58. NA CO 852/257/6, record of meeting in CO, 14 Sept. 1939; CO 852/319/9, J.A. Maybin to Malcolm MacDonald, 3 Jan. 1940.

59. NA CO 852/257/6, record of meeting in CO, 14 Sept. 1939; ibid., Maybin to Secretary of State, 23 Sept. 1939.


61. Gann, History of Northern Rhodesia, 336.


63. NA CO 852/319/9, S. Gore Browne (Government House, Lusaka) to Malcolm MacDonald, 23 Feb. 1940. In the same message, Gore Browne warned that ‘the Copperbelt always needs watching’; see also R.I. Rotberg, Black Heart. Gore-Browne and the Politics of Multiracial Zambia (Berkeley, 1977), 211–12.


65. Henderson, ‘Economic origins’, 51. Henderson quite properly comments that governmental myopia was not unique to the authorities in Lusaka, but that their stance was less easy to defend, given the range of warnings they had received before problems finally erupted in 1940 [ibid.].


67. NA CO 852/319/9, S. Gore Browne (Government House, Lusaka) to MacDonald, 23 Feb. 1940.

Miners at Roan Antelope refused to believe their management, which professed to be unaware of the price currently being paid by the Ministry of Supply. Even more remarkable was the fact that the Governor, too, appeared to be ignorant of the Ministry’s arrangements. The mining companies insisted that they were not making substantial profits: although the market price of copper had risen to over £60 per ton, this did not benefit the companies, who were selling virtually all of their output to the Ministry of Supply at a fixed price. Arguing that they were losing 77.5 per cent of their profits in income tax and EPT, the companies asked the Colonial Office to clarify the situation, confidentially, with the MWU: NA CO 852/319/9, Maybin to Secretary of State, 19 March 1940; Secretary of State to OAG, Northern Rhodesia, 20 March 1940.

A number of exchanges in the press prompted Harold Moody, founder and president of the League of Coloured Peoples, to point out the absurdity that as a train left Northern Rhodesia and entered the Belgian Congo, its European driver was customarily replaced by an African one: letter to The Times, 24 March 1941.

When pressed during 1941 by Arthur Creech Jones to insist on an increased quota of supervisory jobs for Africans, along with limits on European immigration and employment, the Under-Secretary of State at the Colonial Office, George Hall, commented, supinely as it transpired, that the British government could not tolerate the colour bar in any colony: see Parliamentary Debates (Commons), 5th series, 1941, vol. 370, col. 1743, 10 April 1941 and Henderson, ‘Economic origins’, 55.


NA CO 795/116/2, S. Gore-Browne to Malcolm MacDonald, 8 April 1940.

NA CO 795/116/1, minute by Q.R. Thomas (CO), 11 April 1940.
Birmingham and Martin, *History of Central Africa* 248. W. Buchanan-Smith thought that the appointment of Dalgleish to the Commission had been ‘a stroke of genius’: having gone to Northern Rhodesia ‘with the usual preconceived ideas about the Colonial Civil Service’, Dalgleish had returned with his views ‘entirely altered’: NA CO 795/117/1, W. Buchanan-Smith to Lord Lloyd, 1 August 1940.

The Commission had the following comments to make on African wage rates: ‘On the evidence submitted, it appears that the existing basic minimum rates for both sections of workers [i.e. surface and underground] were at the commencement of the strike actually lower than they were when the serious development of the Copperbelt was in progress. The reason given by the representatives of the mine owners was that in the development days of the Copperbelt, labour was more difficult to obtain. Since the Slump in 1931–32, more labour was available and consequently the mine owners felt justified in paying a lower rate, even though the prosperity of the mines during the years immediately before the strike showed remarkable strides. No improvements had occurred since the reductions immediately subsequent to the Slump’. [Forster Commission report, 29, quoted in W.J. Barber, *The Economy of British Central Africa* (Oxford, 1961), 203].

Report of the Commission Appointed to Inquire into the Disturbances in the Copperbelt, Northern Rhodesia, July 1940 (Lusaka, Government Printer, 1941), 14.


NA CO 795/117/1, minute by J.G. Hibbert (CO), 31 July 1940; Secretary of State to Governor, Northern Rhodesia, 2 August 1940.


R. Sklar, *Corporate Power in an African State: the Political Impact of Multi-national Mining Companies in Zambia* (Berkeley, 1975), 104, citing Northern Rhodesia, Report of the Board of Inquiry Appointed to Inquire into the Advancement of Africans in the Copper Mining Industry of Northern Rhodesia (Lusaka: Government Printer, 1954), 7. Ronald Prain would ruefully record that the Minister of Supply, Lord Beaverbrook, had promised the companies that if they acceded to union demands for the sake of the war effort, the government would help them address the resulting problems after the war, but that, in practice, ‘no help was ever given’: see Prain, *Reflections*, 104.

NA CO 795/122/14, minutes by C. Lambert, 30 April and 7 May 1941. It appeared that the MWU wanted not only to preclude Africans from senior posts, but to engineer the removal of those who had already achieved skilled or semi-skilled positions: NA CO 795/122/14, minute by C. Lambert, 13 May 1941.
94. NA CO 795/122/14, minute by A.J. Dawe, 7 May 1941; ibid., minute by George Hall, 8 May 1941.
95. NA CO 795/122/14, minute by J.G. Hibbert, 14 May 1941.
96. NA CO 795/122/14, minute by A.J. Dawe, 15 May 1941; ibid., minute by Hall, 16 May 1941.
97. NA CO 795/122/14, High Commissioner (Pretoria) to Viscount Cranborne (Dominions Office), 16 Aug. 1941, reporting recent discussion with Sir Ernest Oppenheimer.
100. NA CO 795/122/14, minute by Hall, 27 June 1941; ibid., minute by Lord Moyne, 28 June 1941; ibid., Secretary of State to Governor, Northern Rhodesia, 30 Dec. 1941.
105. NA PREM 4/43A, Waddington to Secretary of State, 11 Sept. 1942.
107. NA PREM 4/43A/4, Secretary of State to Waddington, 22 Sept. 1942; ibid., Waddington to Secretary of State, 5 Oct. 1942.
109. NA CO 795/123/9, minute by C. Lambert, 21 Dec. 1942. When Sir Arthur Dawe visited Northern Rhodesia in 1942, the colour bar had been one of the issues on which Union leaders had been most insistent. Dawe, like his senior colleagues, feared it would be ‘most embarrassing’ if the Office involved itself in any discussions at that stage: see NA CO 795/123/9, minutes by A.J. Dawe, 14 Jan. 1943 and Sir George Gater, 15 Jan. 1943.
110. NA CO 795/123/9, note of discussion between Stanley and Geddes, 22 Dec. 1942.
112. NA CO 795/123/9, minute by G. Seel, 28 Dec. 1942; often quick to detect any flaw in his colleagues’ logic, Sydney Caine questioned whether such newcomers would necessarily be any more liberal in their attitudes: ibid., minute, 29 Dec. 1942.
117. Cooper, *Decolonization and African Society*, 119, citing Waddington to Secretary of State, August 1943.
118. Berger, *Labour, Race and Colonial Rule*, 81, 89. By placing the boss boys on a separate wage-scale in response to the 1940 strike, the companies were, arguably, detaching this group from the rest of the African workforce, and therefore reducing the scope for solidarity: see Roberts, *History of Zambia*, 203–5. Within the Colonial Office, the view that the Elder system had the kind of potential identified by the Forster Commission evoked some scepticism. As one official, who had been living on the Copperbelt during the 1935 disturbances commented: ‘These people may deal admirably with the domestic affairs of the workers and facilitate contact, but they have failed in questions where employees’ grievances are concerned’: NA CO 795/117/1, minute by J.L. Keith, 28 August 1940.
126. Cooper, *Decolonization and African Society*, p.369. Cooper makes the important observation that, in the wake of Wilson’s findings, the mining companies refused to allow subsequent researchers to work among their labour forces. [Ibid.]
127. Letter to *The Times*, 3 March 1941.
131. NA CO 795/125/12, minute by A.B. Cohen, 12 Nov. 1943.
134. NA CO 795/125/12, minute by A.B. Cohen, 12 Nov. 1943.
137. NA CO 852/620/3, Acting Governor (Northern Rhodesia) to Secretary of State, 17 Jan. 1944.
139. NA CO 795/128/7, note of meeting in CO with Sir John Waddington, 14 March 1944.
143. NA CO 795/122/14, Harlech to Viscount Cranborne, (DO), 16 Aug. 1941.
145. NA CO 795/122/14, Harlech to Viscount Cranborne, (DO), 16 Aug. 1941.
146. *The Times*, 6 August 1941.
150. NA CAB 66/48/41, WP(44)19, ‘Closer Union between Southern Rhodesia, Northern Rhodesia and Nyasaland. Joint Memorandum by the Secretary of State for Dominion Affairs and the Secretary of State for the Colonies’, 6 April 1944.

151. NA CO 795/125/10, Acting Governor, Northern Rhodesia, to Secretary of State, 5 May 1941.

152. NA CO 795/125/10, minute, 3 June 1941.

153. NA CO 795/125/10, Secretary of State to OAG, Northern Rhodesia, 12 June 1941.

154. NA CO 795/123/9, Secretary of State to Sir Kingsley Wood and Oliver Lyttelton, 2 Nov. 1942.

155. NA CO 795/125/10, Governor, Northern Rhodesia, to Secretary of State, 21 Oct. 1942.

156. NA CO 795/123/9, Secretary of State to Sir Kingsley Wood and Oliver Lyttelton, 2 Nov. 1942.

157. NA CO 795/123/9, Moore (Ministry of Production) to C.H. Thornley (CO), 13 Nov. 1942; CO 795/125/10, Sir Kingsley Wood to Cranborne, 18 Nov. 1942.

158. NA CO 795/123/9, Geddes to Stanley, 17 Dec. 1942.

159. NA CO 795/123/9, note of discussion between Stanley and Geddes, 22 Dec. 1942.


162. NA CO 795/125/10, Waddington to Secretary of State, 28 Feb. 1943; ibid., Waddington to Secretary of State, 20 March 1943.

163. NA CO 795/125/10, minute by S. Caine, 3 March 1943.

164. NA CO 795/125/10, J.C. Carr (MoS) to G. Creasy (CO), 10 April 1943; CO 852/521/2, CO Note ‘Northern Rhodesia Copper Production’, 25 May 1943.

165. NA CO 852/521/2, note by A.B. Cohen, 15 June 1943.

166. NA CO 795/125/10, minute by A.J. Dawe, 16 June 1943.

167. NA CO 852/521/2, minute by Burt, 16 Nov. 1943; ibid., C.Y. Carstairs (CO) to J.C. Carr (MoS), 17 Nov. 1943.

168. NA CO 852/521/2, note by A.B. Cohen, 15 June 1943.

169. NA CO 852/521/2, minutes of meeting, 30 Nov., 1 Dec. 1943.

170. NA CO 852/521/2, minutes of meeting (30 Nov.) between representatives of CO, MoS and NFM Control, 1 Dec. 1943.

171. NA CO 852/521/2, C. Lambert (CO) to Beresford Stooke (Northern Rhodesia), 4 Dec. 1943.

172. NA CO 795/125/12, minute by A.B. Cohen, 12 Nov. 1943.

173. NA CO 795/128/12, Beresford-Stooke (Northern Rhodesia) to A.B. Cohen, 1 Feb. 1944.

174. NA CO 852/521/2, Note of meeting in Ministry of Production, 10 Nov. 1943, ‘Post-war purchases of Rhodesian copper’, 12 Nov. 1943.

175. NA CO 852/521/2, intercepted cable extract, David Dearth to Ronald Prain, 25 Nov. 1943.

176. NA CO 795/125/12, minute by A.B. Cohen, 12 Nov. 1943; CO 852/521/2, minutes of meeting, 30 Nov., between CO, MoS and NFM
Control, 1 Dec. 1943; ibid., C. Lambert to Beresford Stooke (Northern Rhodesia), 4 Dec. 1943.

177. NA CO 852/620/3, Beresford Stooke (Northern Rhodesia) to A.B. Cohen, 5 Jan. 1944.

178. NA CO 852/620/3, Beresford Stooke (Northern Rhodesia) to A.B. Cohen, 5 Jan. 1944.

179. NA CO 852/521/2, minute by G.L.M. Clauson, 17 Jan. 1944.


181. Financial Times, 12 May 1944.

182. The Times, 29 Dec. 1944.


184. NA CO 852/620/3, Beresford Stooke (Northern Rhodesia) to A.B. Cohen, 5 Jan. 1944.

185. CO 852/521/2, Secretary of State to Waddington, 13 Jan. 1944; ibid., minute by A.B. Cohen, 13 Jan. 1944.


188. NA CO 795/131/6, Beresford-Stooke to A.B. Cohen, 29 April 1944.

189. NA CO 852/620/3, Acting Governor (Northern Rhodesia) to Secretary of State, 17 Jan. 1944; ibid., Secretary of State to Northern Rhodesia, 20 Jan. 1944. The cut in planned output was made public shortly afterwards: see The Times, 26 Jan. 1944.


193. NA CO 795/131/5, minute by C.Y. Carstairs, 8 Feb. 1944.

194. NA CO 795/131/5, minute by A.B. Cohen, 9 March 1944.

195. NA CO 852/620/6, J.C. Carr (MoS) to A.E. Banham (CIC), 9 May 1944; CO 795/131/6, Secretary of State to Waddington (Northern Rhodesia), 9 May 1944. The announcement of this unexpected decision was made soon afterwards: see Financial Times, 12 May 1944.


197. NA CO 795/128/7, note of meeting in CO with Sir John Waddington, 14 March 1944; CO 795/133/9, note on discussions with Waddington, 20 March 1944.


199. NA CO 852/620/3, memorandum by CO, ‘Northern Rhodesia Post-Armistice Production’, (n.d., but June 1944); ibid., note of meeting in Treasury, 26 June 1944.

200. NA CO 852/620/3, note of meeting in Treasury, 26 June 1944.
201. NA CO 852/620/3, minute by A.B. Cohen, 10 July 1944.
202. NA CO 852/620/3, G.L.M. Clauson to A.F.B. Fforde (Treasury), 13 July 1944. As Clauson explained, there was little prospect of either the Northern Rhodesian government or the Legislative Council agreeing to fund copper purchases: ibid.
203. NA CO 795/131/6, minute by A.B. Cohen, 3 July 1944; ibid., Secretary of State to Waddington, 17 July 1944.
204. NA CO 795/131/6, minute by A.B. Cohen, 15 July 1944.
205. NA CO 852/620/3, note of meeting at 6 Carlton House Terrace, 18 July 1944; ibid., minute by A.B. Cohen, 20 July 1944; ibid., TAMAR 5260, MoS to BRMM, Washington, 17 Aug. 1944. On the categorical statement by both mining groups that the new Ministry of Supply formula would leave them no profit, see NA CO 852/620/4, minute by A.B. Cohen, 21 Oct. 1944.
206. NA CO 795/131/6, minute by A.B. Cohen, 22 Aug. 1944; ibid., Secretary of State to Waddington (Northern Rhodesia), 25 Aug. 1944; CO 852/620/4, Waddington to Secretary of State, 23 Sept. 1944.
207. NA CO 795/131/6, minute by G.L.M. Clauson, 9 Sept. 1944.
208. NA CO 795/133/9, note of discussions with Sir John Waddington, 20 March 1944.
209. NA CO 852/620/6, minute by S. Caine, 28 April 1944.
210. NA CO 852/620/6, C.Y. Carstairs (CO) to Secretary, Capital Issues Committee, 3 May 1944.
211. NA CO 852/620/6, J.C. Carr (MoS) to A.E. Banham (CIC), 9 May 1944.
212. NA CO 852/620/6, note of meeting in CO, 31 May 1944.
213. NA CO 852/620/6, A.B. Cohen (CO) to E.A. Shillito (Treasury), 8 July 1944.
214. NA CO 852/620/3, TAMAR 5592, MoS to BRMM, Washington, 2 Sept. 1944. An added complication here was that contracts with Empire producers precluded the Ministry of Supply from buying from non-Empire sources until Empire producers had been given the opportunity to supply their copper: ibid.
216. NA CO 852/620/4, TAMAR 6776, MoS to BRMM, Washington, 29 Oct. 1944; ibid., Secretary of State to Governor, Northern Rhodesia, 30 Oct. 1944.
217. See The Times, 21 Dec. 1944; NA CO 852/620/4, Waddington to Secretary of State, 31 Oct. 1944. News of the Ministry’s decision was not entirely unexpected. There had been speculation since August that the copper supply position would permit ‘adjustments’ in the existing contractual arrangements: see ‘City Notes’, The Times, 21 August 1944.
218. NA CO 852/620/4, minute by A.B. Cohen, 7 Nov. 1944.
219. NA CO 852/620/4, G.L.M. Clauson to J.C. Carr (MoS), 17 Nov. 1944; the Colonial Office was particularly sensitive to the possibility that Northern Rhodesia’s production in 1945 might be lower in proportion to its peak war production (in 1943) than it would be in the Belgian Congo, South Africa and Canada: ibid., minute by A.B. Cohen, 4 Dec. 1944; ibid., minute by A.B. Cohen, 8 Dec. 1944. As Cohen noted, it would help that the British government was underwriting Northern Rhodesian produc-
tion, although it needed no more copper, and planned to buy nothing from the Congo: ibid., minute by Cohen, 6 Dec. 1944.
220. NA CO 852/620/4, note of meeting at MoS with Canadian and Rhodesian copper producers, 21 Nov. 1944.
221. NA CO 852/620/4, Waddington to Secretary of State, 26 Nov. 1944.
222. NA CO 852/620/4, Secretary of State to Waddington, 27 Nov. 1944.
223. NA CO 852/620/4, minute by A.B. Cohen, 4 Dec. 1944.
224. NA CO 852/620/4, minute by A.B. Cohen, 6 Dec. 1944.
231. NA CO 852/620/4, Secretary of State to Waddington, 21 Dec. 1944.
238. NA CO 852/659, PW (Copper)1 (Revised), ‘Copper: a statistical survey’, 20 June 1945. This survey was produced by the Non-Ferrous Metals Control.
239. NA CO 852/659, minute by A.B. Cohen, 1 August 1945; ibid., minute by W.L. Monson, 1 August 1945.
241. NA CO 852/650/3, minute by G.L.M. Clauson, 2 April 1945.
244. Gann, ‘The Northern Rhodesian copper industry’, 10–11.
247. Gann ‘The Northern Rhodesian copper industry’, 11.
249. Gann ‘The Northern Rhodesian copper industry’, 10–12.
250. Gann ‘The Northern Rhodesian copper industry’, 11, citing The Economist, 8 December 1945.
253. See, e.g., NA CO 795/125/12, minute by A.B. Cohen, 12 Nov. 1943, recording interview with Prain. Curiously, Beatty had opposed this appointment, objecting that no employee of either of the two mining groups could represent the industry’s interests.


3 The Post-War Commodity Boom (1946–1953)


2. NA CO 795/135/11, Sir J. Waddington (Lusaka) to A.B. Cohen (CO), 13 April 1946.


19. Cunningham, *The Copper Industry*, 183–4. Between two and three tons of coal were required to smelt one ton of copper.


30. NA CO 537/3047, Bevin to Attlee, 16 Sept. 1947.

31. Hinds, ‘Sterling and imperial policy’, 155–6. Bevin confided his ambition ‘to organise the middle of the planet’ to his Cabinet colleague, Hugh Dalton: ‘If we only pushed on and developed Africa, we could have U.S. dependent on us, and eating out of our hand, in four or five years. Two great mountains of manganese ore in Sierra Leone, etc. U.S. is very barren of essential minerals, and in Africa we have them all’: Dalton Diary, 15 Oct. 1948, cited in P.S. Gupta, *Imperialism and the British Labour Movement* (London, 1975), 305–6.

34. NA CO 852/871/1, GEN.202/3rd meeting, 21 Nov. 1947.
42. NA BT 241/149, 6 June 1952; see also *Financial Times*, 19 Nov. 1952.
47. Gann, ‘The Northern Rhodesian copper industry’, 12.
52. NA BT 258/398; SUPP 14/34, minute by A. Currall (MoS), 24 July 1951.
54. RLPP Box 1, Amco/AMAX Folder 1, Prain to W. Hochschild, 19 May 1947.
55. NA FO 371/62919, G. Archer (MoS) to N. Caplan (BoT), 5 June 1947.
56. NA CO 852/949/3, E.B. Bowyer (MoS) to A.H. Poynton (CO), 8 June 1949.
60. NA T 236/1837, Minister’s Committee on the Re-opening of the LME, minutes of 7th meeting, 18 Jan. 1949.
61. NA T 236/1826, Sir Stafford Cripps to G. Strauss (MoS), 26 June 1949.

67. NA CO 852/493/3, Secretary of State to Rennie, 18 Oct. 1949; ibid., Secretary of State to Sir G. Rennie, 1 Nov. 1949.


69. NA CO 852/949/3, note of meeting between Ministry of Supply and mining companies, 29 Nov. 1949.

70. NA CO 852/949/3, note of meeting at Ministry of Supply, 7 Dec. 1949.


73. NA CO 852/1208/10, minute by Mayle, 3 Jan. 1950.


75. Prain, Reflections, 88.

76. Phillips, ‘Roan Antelope’, 307–8, citing memo. by Prain, ‘Roan: a critical analysis’, 23 June 1949. Prain had already warned the AMC that Roan seemed likely to become a permanently high-cost producer compared with other Copperbelt mines: RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 30 April 1948.

77. Prain, Reflections, 88; Roberts, ‘Notes towards a financial history’, 355.

78. Gann, ‘The Northern Rhodesian copper industry’, 13. At the time, the War Office was warning that a major war was ‘possible in 1951 and probable in 1952’: Hyam, The Labour Government, xliv.

79. Phillips, ‘Roan Antelope’, 308–9. On the other hand, major shareholders in the Copperbelt, such as the AMC, had been keen to pay maximum dividends before any devaluation took place: RLPP Box 1, Folder 1, Prain to H.K. Hochschild to Prain, 20 May 1948.


81. Prain, Reflections, 88; Berger, Labour, Race and Colonial Rule, 6; Roberts, ‘Notes towards a financial history’, 357.


83. NA SUPP 14/34, Note by A. Currall (MoS), 1 Oct. 1951.

84. NA BT 258/398, Note of discussion on reversion to private trading, 26 Oct. 1951.

85. NA SUPP 14/34, minute by A. Currall (MoS), 14 July 1951.

86. NA SUPP 14/29, Note of meeting between representatives of the Ministry of Materials and of the Rhokana and N’Changa Copper Companies, 30 Oct. 1951.


89. NA T 228/470, J.A.R. Pimlott (MoM) to Muir (T), 29 Nov. 1952.
91. NA T 228/470, Sandys to R.A. Butler, 5 March 1953.
92. NA BT 258/392, R. Klemin (Anglo Metal Company Ltd) to MoM), 1 April 1953; ibid., G.F.A. Burgess (BMC Ltd) to A. Currall (MoM), 16 April 1953. By April 1953, the Ministry of Materials was purchasing some 30,000 tons of copper each month, while domestic consumption was only 18,000 tons per month. With government stocks accumulating, both the Ministry and the Copperbelt producers appeared to agree that this situation could not continue: see NA BT 161/122, Commonwealth Relations Office to High Commissioner, Salisbury, 21 April 1953.

94. Prain, Reflections, 85.
101. NA CO 795/143/4, Secretary of State to Sir J. Waddington, 2 August 1947.
102. NA CO 795/143/4, Waddington to Secretary of State, 3 Dec. 1947; ibid., F.E.L. Works (MoS) to N.D. Watson (CO), 5 Sept. 1947.
104. NA CO 852/949/1, CPP(47) 1st meeting, 29 Aug. 1947.
105. NA CO 852/949/2, Extract from Report by Paymaster-General on his Visit to Africa, January–March 1948. This estimate also assumed that an additional 10,000 tons of coal per month would be forthcoming from Wankie.
106. NA T 236/694, ‘Colonial Development’: Colonial Office Memorandum for the Treasury, 19 Aug. 1948. While this report commented that the
situation was gradually improving as more locomotives and rolling stock became available, this would require ‘continuous effort’, and it would be ‘difficult, if not impossible’ to spare the steel and capital equipment the region’s rail system required, especially when demand for these items for other essential uses was so high.


109. Phillips, ‘Roan Antelope’, 301–3. As Lunn points out, Britain’s concerns about valuable copper production had been an important, possibly decisive, factor in persuading London to approve the nationalisation of the railways. This, it was thought, was the surest means of enabling the railways to attract the investment capital they required, and so maintain the flow of copper: Lunn, *Capital and Labour*, 70–1.

110. F.L. Coleman, *The Northern Rhodesian Copperbelt, 1899–1962* (Manchester, 1971), 141–2. As Creech Jones commented following his visit to Northern Rhodesia in April 1949, this procedure was not only uneconomic but destructive: NA CAB 134/56, CA(49)4, ‘Report by the Secretary of State for the Colonies on his Visit to Central and East Africa – April 1949’, Memorandum by Creech Jones for Cabinet Commonwealth Affairs Committee, 8 June 1949.

111. Phillips, ‘Roan Antelope’, 303–4, citing memorandum by R. Prain, ‘Coal Position and Copper Production’, 15 Aug. 1947. Asked by the Colonial Office late in 1947 what factors would assist them with the immediate expansion of copper production and a further increase in capacity, the two Copperbelt mining groups declared that to achieve their present capacity, the four mines would require an additional 10,000 tons of coal per month above their current receipts (which would require an increase in the number of locomotives and wagons running between Wankie and the Copperbelt: NA CO 852/949/1, R.L. Prain and C.F.S. Taylor to S. Caine, 12 Dec. 1947; FO 371/62919, minute by H.B. Shepherd (FO), 20 Dec. 1947.


118. RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 26 July 1949.


120. NA CAB 134/64, CD(49)12th meeting, 22 Sept. 1949.

121. NA CAB 134/66, CD(50)2nd meeting, 2 Feb. 1950.

122. NA CAB 134/66, CD(50)1st meeting, 13 Jan. 1950.


125. NA CAB 134/228, EPC 5(51)3, ‘Production of raw materials in the Colonial Empire’: Cabinet Economic Policy Committee minutes, 9 March 1951.

126. NA SUPP 14/29, K.D. Rogers (Ministry of Materials) to J.S. Gandee (CRO), citing opinion of A.W. Durrant, until recently Secretary of the Rhokana and N’Changa companies, 13 August 1951.


128. NA CO 795/168/4, minute by D. Williams, 8 Jan. 1951.

129. NA CO 795/168/4, Rennie to Sec. of State, 12 Jan. 1951; ibid., R. Nicholson (Secretariat, Lusaka) to C.E. Lambert (CO), 24 Feb. 1951; CO 795/168/5, minute by D. Williams, 11 May 1951; ibid., John Dugdale to Patrick Gordon-Walker, 15 May 1951. On the rearmament aspect, see NA CO 1015/332, Secretary of State to Rennie, 26 July 1951. In view of the world copper shortage resulting from Western rearmament, it appeared that a future increase in copper supplies depended on overcoming the fuel and transport problems confronting the Copperbelt: NA DO 127/95, CSP(51)4, Meeting of Commonwealth Ministers Concerned with Supply and Production: ‘Copper’, Memorandum by the UK Delegation, 22 August 1951.

130. NA CO 1015/332, note of meeting held in CRO, 18 July 1951; ibid., Rennie to Secretary of State, 3 August 1951.

131. NA CO 1015/332, D. Williams (CO) to S.A. Lockhart (FO), 25 Sept. 1951. By the summer of 1952, delays in the delivery of locomotives and rolling stock were once again identified as the principal bottle-neck: CO 1015/334, ‘Coal for the Copperbelt’. Report No. 11 (Office of the High Commissioner for the UK, Salisbury), 19 June 1952; ibid., Secretary of State to Rennie, 8 July 1952.

132. RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 13 July 1951.

133. NA CO 1015/631, J.H. Lascelles (Selection Trust) to J.W. Stacpoole (CO), 18 Sept. 1951. See also Prain, Reflections, 92–3, and Baldwin, Economic Development, 178–9. The entire question of alternative energy sources was politically sensitive in Southern Rhodesia, despite the obvious shortcomings associated with the 1938 agreement on the use of coal from Wankie. Influential figures in Salisbury, including Sir Arthur Griffin, General Manager of Rhodesia Railways, had consistently opposed any alteration in existing arrangements, insisting that any infrastructural improvements should be guaranteed an assured market for the resulting extra capacity. The Colonial Office was therefore keen to give as little publicity as possible to the fact that an approach had been made to the Belgians: NA CO 1015/631, minutes by D. Williams, 19 Sept. 1951, 27 Sept. 1951.


137. NA CO 1015/333, D. Williams (CO) to J.S. Gandee (CRO), 15 Jan. 1952.

138. Goldsworthy, The Conservative Government, iv; NA CAB 129/48, C(51)14, ‘Possibilities of increasing the supply of colonial foodstuffs and raw materials to the UK’, cabinet memo. by Lyttelton, 12 Nov. 1951. On the other hand, it should not be forgotten that remittances sent abroad, in the form of net interest on loans, net dividends and net profits remained considerable during the ‘boom’ period. Between 1951 and 1953, for example, more than 17 per cent of the income earned within Northern Rhodesia was exported in these forms: see G.S. Meier, ‘External trade and internal development’, in P. Duignan and L.H. Gann (eds), Colonialism in Africa 1870–1960 Volume 4 The Economics of Colonialism (Cambridge, 1975), 465.

139. Cunningham, The Copper Industry, 92.

140. Roberts, ‘Notes towards a financial history’, 356. Given this generally healthy situation, it is surprising that Creech Jones advised Attlee early in 1948 that Northern Rhodesia’s copper production could, ‘with enough capital, be vastly increased’. The moral had not yet been drawn that capital equipment, not finance, was the major limiting factor here as in the rest of British colonial Africa: see NA PREM 8/733, note by Creech Jones for Attlee, ‘Economic development in the colonies’, 5 Feb. 1948.

141. Cunningham, The Copper Industry, 92, 102, 104.


144. NA CO 852/877/1, minute by C.G. Eastwood to Ivor Thomas, 18 Sept. 1947. Thomas minuted his agreement: ibid., minute, 18 Sept. 1947. Caine, however, warned that if the government chose not to seek US aid, the limitations on Britain’s own resources would mean that progress with colonial development would be ‘very much smaller than the vast majority of people are now expecting’: ibid., minute to Rees-Williams, 6 Nov. 1947.


149. NA CAB 128/123, CC9(S1)3, Cabinet conclusions, 20 Nov. 1951.


151. A.F. Eckes, The United States and the Global Struggle for Minerals (Austin, 1979), 143–4, 147, 158.

152. Eckes, The United States and the Global Struggle, 165, 172. US interest in Africa was accentuated by growing concerns in the late 1940s about the reliability of supplies of Chilean copper, in view of Communist influence in the country’s trade unions, and the inclusion in 1946 of three Communists in the government: ibid., 149–50.


156. Darby, Three Faces, 200, 205; Eckes, The United States and the Global Struggle, 185–7. The Commission estimated that copper mining alone would require $100 million each year for the next 25 years, although average annual new investment since the war had been approximately $50 million: ibid.


163. NA CO 537/7597, minute on colonial development, in Porter and Stockwell, British Imperial Policy and Decolonization, ii, 21.


165. NA BT 241/149, Knollys (Washington) to Sir Oliver Franks (FO), 14 Feb. 1952.

169. Ibid., Flett to Melville, 30 June 1952.
172. Barber, *Economy of British Central Africa*, 126. Similarly, the US became the principal source of external funding for the Copperbelt [ibid.]
181. Roberts, *History of Zambia*, 189–90; Barber, *Economy of British Central Africa*, 233. Earlier discussions of the mining companies’ post-war housing and welfare policies, such as Barber’s, which stress the enlightened position taken by mine managements, tend to overlook the element of compulsion introduced by government legislation.
182. ILO No. 82 *Convention Concerning Social Policy in Non-Metropolitan Territories* (11 July 1947); Cooper, *Decolonization and African Society*, 218.


193. Berger, *Labour, Race and Colonial Rule*, 90–1. After discussions in London, it was decided to inform NORCOM of the Colonial Office’s decision to despatch a trade union specialist to Northern Rhodesia. NORCOM remained non-committal until after a conference of mine company managing directors: ibid.


200. NA CO 795/168/2, Rennie to Griffiths, 10 Feb. 1951. As the Colonial Office’s Labour Adviser commented, this happy outcome was due in no insignificant measure to the training the AMU had received from Northern Rhodesia’s Labour Department: ibid., minute by E.W. Barltrop, 27 Feb. 1951. An alternative reading of this episode is that newly-organised African workers had quickly learned he power of the strike weapon, and their ability to paralyse the Copperbelt: see NA CO 1015/338, minute by J.W. Stacpoole, 1–4 Feb. 1952.

201. Sklar, *Corporate Power*, 103.


203. RLPP Box 1, folder 2, Prain to H.K. Hochschild, 26 April 1950.

204. RLPP Box 1, folder 1, Prain to H.K. Hochschild, 2 Dec. 1949.

205. RLPP Box 1, folder 2, Prain to H.K. Hochschild, 19 Jan. 1950.


No. 206, *Memorandum on Colonial Mining Policy* (London, 1946), see also NA CO 852/935/1, minute by Mayle, 18 Nov. 1948.


213. RLPP Box 1, untitled folder, memorandum by H.K. Hochschild, ‘Visit to the Rhodesias’, 22 Oct. 1949. As Hochschild observed, ‘The N’Kana general offices are a setting the Soviet movie-makers would love to use to show the palatial headquarters from which the bloated Anglo-Saxon capitalists oppress the starving rock-breakers’ [ibid.].

214. RLPP Box 1, folder 2, Prain to Harold K. Hochschild, 26 April 1950.


221. NA CAB 134/56, CA(49)4, ‘Report by the Secretary of State for the Colonies on his Visit to Central and East Africa – April 1949’, memo. by Creech Jones for Cabinet Commonwealth Affairs Committee, 8 June 1949.


223. RLPP Box 1, folder 2, H.K. Hochschild to Prain, 8 May 1950.

227. NA CO 1015/334, A. Currall (MoM) to J.E. Marnham (CO), 30 June 1952, following visit to Central Africa to investigate the copper industry.
228. NA CO 1015/338, minute by D. Williams, 6 Feb. 1952.
232. NA CO 1015/338, minute by D. Williams, 6 Feb. 1952; ibid., Prain to Lyttelton, 28 Feb. 1952; RLPP Box 1, Folder 3, H.K. Hochschild to Prain, 8 Feb. 1952.
233. RLPP Box 1, Folder 3, Prain to H.K. Hochschild, 12 March 1952; Box 2, Folder ‘Sir Roy Welensky’, Welensky to Prain, 22 March 1952. Prain had previously warned that as soon as London announced its intention to proceed with the Federation, a general strike among African workers would ensue. The Colonial Office, more optimistically, estimated the chances of labour trouble to be 50:50. See NA CO 1015/333, Working Party on Coal for the Northern Rhodesian Copperbelt, 14 Nov. 1951.
234. NA CO 1015/338, minutes by D. Williams, 6 Feb. and 11 June 1952.
236. NA BT 161/118, note by D.W. Savage (MoM), 11 Nov. 1952.
239. NA CO 1015/350, Prain to Lyttelton, 21 Nov. 1952.
242. RLPP Box 1, folder 3, Prain to H.K. Hochschild, 31 Dec. 1952.
243. RLPP Box 1, folder 3, Prain to H.K. Hochschild, 9 Jan. 1953.
245. NA CO 1015/338, note of meeting in CO, 6 Jan. 1953.
246. RLPP Box 1, Folder 3, Prain to H.K. Hochschild, 9 Jan. 1953. Hochschild felt that Lyttelton’s behaviour bore out criticism of him heard during the war, that he lacked ‘vision’: ibid., H.K. Hochschild to Prain, 13 Jan. 1953.
247. Berger, *Labour, Race and Colonial Rule*, 122. In conversation with Lord Swinton in July 1952, Prain had already pointed out the disadvantage of high wages for Africans, associated with high copper prices. High wages, he argued, meant that Africans could earn a large sum in a short period, and therefore had less incentive to remain in the mines, instead returning to their reserves to spend their money. This in turn
meant that African labour became less efficient: NA CO 852/1177/11, letter from Swinton to Sir Harry Railing, 25 July 1952. A measure of the letter’s significance is that it was copied to Lord Salisbury, the Chancellor of the Exchequer, the Minister of Supply and the Colonial Secretary.


4 The Debate on Controlling the Mining Industry (1939–1952)

2. NA CO 795/125/10, note by A.B. Cohen, 15 June 1943.
7. Prain, *Reflections*, 216; A.D. Roberts, ‘Notes towards a financial history of copper mining in Northern Rhodesia’, *Canadian Journal of African Studies* 16 (1982), 354. Ronald Prain of RST was closely involved in the creation of the BOMA: RLPP, Box 1, Folder 1, Prain to H.K. Hochschild, 1 August 1946.
8. NA CO 852/319/9, minute by Caine, 25 March 1940.
9. NA CO 852/557/5, minute, 14 Feb. 1944.
16. NA CO 795/131/6, minute by A.B. Cohen, 15 July 1944.
17. NA CO 795/118/8, A.C. Geddes to Sir John Simon, 21 Feb. 1940.
18. NA CO 795/118/8, A. Chester Beatty to Malcolm MacDonald, 21 March 1940.
19. NA CO 795/118/8, minute by S. Caine, 28 March 1940; ibid., minute by G.L.M. Clauson, 30 March 1940; ibid., Malcolm MacDonald to A. Chester Beatty, 5 April 1940.
20. NA CO 795/123/9, Cranborne to Sir Kingsley Wood and Oliver Lyttelton, 2 Nov. 1942. Gerard Clauson, normally sympathetic to the position of big business, disputed Geddes’ claim, arguing that the Copperbelt had been developed because of its ‘considerable’ economic potential, and that it had been the only major source of income for Geddes’ group, once the Spanish Civil War prevented it from exploiting its Rio Tinto interests profitably: NA CO 795/125/10, minute, 4 March 1943.
22. NA CO 795/123/9, minute by G. Seel, 28 Dec. 1942.
25. NA CO 852/620/6, note of meeting in CO, 31 May 1944.
27. Roberts (1982), 354.
29. NA CO 795/133/9, Summary of main points for discussion with Sir John Waddington (n.d., but March 1944).
39. NA CO 990/2, CEAC(44)20, CEAC(Minerals) 2nd Report, 28 Feb. 1944.
41. See above, 74–5, 79.
42. Gann, *History of Northern Rhodesia*, 339.
44. Hinden, *Plan*, 207. Acknowledging that state operations would require a large injection of capital, Hinden was remarkably sanguine about the prospects of governments being able to raise such funding from commercial sources (ibid.).
47. FCB 48/2, 4–7, paper by W.A. Lewis on ‘Mining in the British African Colonies’, 31 Oct. 1942.
48. FCB 56/2, 49–50, Pim to Hinden, 22 April 1943, and note by Creech Jones.
50. See, e.g., *The Economist*, 22 March 1941.
51. In their preparations for Faringdon’s question, senior Colonial Office opinion was keen to restrict the answer to the facts, and to avoid speculation on broad matters of future policy: NA CO 852/459/7, minute by Sir George Gater, 18 Jan. 1943.
52. NA CO 852/459/7, minute by S. Caine, 18 Jan. 1943; H. Macmillan, ‘Introduction’, in Macmillan and Marks (1989), 26. Macmillan suggested that the encouragement of powerful interests, such as mining companies, whose professionalism and expertise impressed him, assumed the existence of a colonial state powerful enough to match them. He believed not only that the Colonial Office failed in this respect, but that government advisers on mining were frequently less qualified (and less well remunerated) than the experts with whom they had to deal: ibid., 26, 250.
53. NA CO 852/459/7, minute by S. Caine, 18 Jan. 1943. Later in 1943, Caine would offer his celebrated comments on the need for a root and
branch examination of the machinery which would be needed to promote more rapid colonial development, suggesting a willingness to consider radical approaches to the subject, involving greater state intervention, on a scale unthinkable to pre-war policy makers: CO 852/588/2, memorandum, 16 August 1943.

54. NA CO 795/133/3, minute by Caine, 20 Nov. 1943.
55. NA CO 990/2, CEAC(43)3, Hinden to Stanley, 16 August 1943; CO 852/617/12, minute by W.B.L. Monson, 2 Oct. 1946.
56. NA CO 990/2, CEAC(43)3, Hinden to Stanley, 16 August 1943.
58. NA PREM 4/43A/4, Sir John Waddington to Secretary of State, 6 Sept. 1942.
59. NA CO 852/620/3, Acting Governor to Secretary of State, 17 Jan. 1944.
60. Lipton, Capitalism and Apartheid, 269, 275.
61. On the formation and work of the CEAC, see B. Ingham, ‘Shaping opinion on development policy: Economists and the Colonial Office during World War II’, History of Political Economy 24, 3 (1992), 689–710, Lee and Petter, The Colonial Office, War, and Development Policy, and Butler, Industrialisation, 89–135, 147–9, 157–68. Given the importance of the general developmental themes raised by copper mining, it is surprising that the Committee included no representative of the Copperbelt: perhaps recent events, such as the 1940 strike, and the unresolved nature of many of the industry’s problems, would have made such representation politically embarrassing to London.
62. NA CO 990/5, CEAC(Minerals)(43)2, 29 Nov. 1943; ibid., CEAC(Minerals)(43)3, memo. by Secretary, ‘Problems of mineral exploitation’, 29 Nov. 1943.
63. NA CO 990/5, CEAC(Minerals)(43)2, 29 Nov. 1943.
64. NA CO 795/133/3, minute, 1 Nov. 1943.
65. NA CO 990/4, CEAC(MSC) 5th minutes, 31 Jan. 1944.
66. NA CO 795/121/9, Stanley to OAG, Northern Rhodesia, 17 Jan. 1944.
67. NA T 220/151, G.H. Gater to Sir Bernard Gilbert, 6 July 1944.
69. NA T 220/151, Sir Hubert Henderson to C.H.M. Wilcox, 14 July 1944.
70. Stanley helped produce the Conservatives’ important statement of economic policy, The Industrial Charter, unveiled in 1947.
71. NA T 220/151, Stanley to Sir John Anderson, 25 August 1944. For Stanley’s arguments on CD & W funding, see NA CAB 66/57, WP(44)643, memo., 15 Nov. 1944.
M. Cowen and N. Westcott, ‘British imperial economic policy during the war’, in D. Killingray and R. Rathbone (eds), Africa and the Second World War (London, 1986), 48–9; an even more fundamental, and apparently insurmountable barrier to the purchase of the rights was the adamant refusal of the BSAC’s chairman, Sir Dougal Malcolm, to consider any sale: see P. Slinn, ‘Commercial concessions and politics during the colonial period: the role of the British South Africa Company in Northern Rhodesia, 1890–1964’, African Affairs 70 (1971), 377.


76. I. Henderson, ‘Economic origins of decolonization in Zambia, 1940–45’, Rhodesian History 5 (1974), 49. As Henderson suggests, this dilemma may have had even wider implications: the inability of the British government to perform the ‘conjuring trick’ of increasing colonial production, while keeping both political structures and social policies in step with changing conditions, may offer an important clue to unravelling the complex of processes which constituted ‘decolonization’.


82. NA CO 990/3, CEAC(46)79, 18 June 1946.

83. Slinn, ‘The legacy’, 41.


85. NA CO 852/935/1, memo. by Mayle, ‘Colonial Mining Policy’, 18 Nov. 1948.


88. NA CO 852/936/3, R.K. Winter (Secretary, Joint East African Board) to Under-Secretary of State, CO, 16 Jan. 1947.


90. NA CO 852/936/3, G.H. Laycock (President, Institute of Mining and Metallurgy) to Secretary of State, 24 Feb. 1947.


92. RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 27 Dec. 1946.

93. NA CO 852/936/3, Nolan (Secretary, BOMA) to Secretary of State, 1 Jan. 1947. The Colonial Office responded that this was not the government’s intention: see CO 852/936/3, Monson to Nolan, 23 Jan. 1947.


95. NA CO 852/936/3, Nolan to Secretary of State, 27 March 1947; ibid., Eastwood to Secretary, Joint East African Board, 21 May 1947.

96. NA CO 852/936/3, Nolan to Secretary of State, 27 March 1947. Only weeks before the publication of the *Memorandum*, Ronald Prain had predicted that little would be heard about colonial nationalisation from an already over-stretched British government, struggling to implement its existing plans for public ownership. However, the question would, he felt, probably form part of Labour’s platform at the next election: if re-elected, the government was likely to show interest in nationalising the colonial mining industry. It had previously been agreed with the American Metal Company, this ‘vague possibility’ should make no difference to RST’s operating policy or plans for expansion: RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 1 August 1946.


98. NA CO 852/936/3, Hinden to Creech Jones, 24 Jan. 1947. Echoing the fitful pre-war discussions within the Colonial Office, and reflecting the concerns of Arthur Lewis (and possibly those of W.M. Macmillan), the FCB was keen to see the CO appoint a Mining Adviser as well as a distinct Mining Department: FCB 46/2, ff59–62, draft letter to CO, 13 Jan. 1947.


100. FCB 48/2, 21, FCB(47)4, ‘Memorandum on Colonial Mining Policy: reply of the Secretary of State’, 27 March 1947. Despite this negative response, when the Colonial Office subsequently discussed means of increasing the state’s role in mineral development, Gorell Barnes suggested the creation
of a special public corporation to fill the gap between geological surveying and actual mining: NA CO 852/935/1, minute by C.E. Eastwood, 12 Nov. 1948.


103. NA CO 852/936/3, C.G. Eastwood to Secretary, Joint East African Board, 21 May 1947.

104. NA CO 852/936/3, C.G. Eastwood to Secretary, Institute of Mining and Metallurgy, 21 May 1947.


107. NA CO 537/1512, minute by Creech Jones, 11 April 1946.


110. NA CO 852/935/1, minute by C.G. Eastwood, 12 Nov. 1948.

111. NA CO 852/840/1, Supplementary record of 4th meeting of CDC and CO, 18 Oct. 1948.

112. NA CO 852/935/1, minute by C.G. Eastwood, 12 Nov. 1948; ibid., memorandum by Mayle, ‘Colonial Mining Policy’, 18 Nov. 1948.


115. NA CO 852/935/1, memorandum by Mayle, 18 Nov. 1948.

116. NA CO 852/935/1, minute by G.L.M. Clauson, 20 Jan. 1949. During the war, perhaps influenced by Hailey, Clauson had cited the example of the Belgian Congo, whose government, while retaining powers to undertake mining operations, had concluded that the most satisfactory course was to leave these to private enterprise, but to take a fair share of the resulting profits, leaving the mining companies to incur any losses: NA CO 990/4, CEAC(MSC) 4th minutes, 19 Jan. 1944.


118. See, e.g., ST B2/4, statement by chairman, A. Chester Beatty, 23 June 1949. Beatty predicted ‘the most serious economic reactions’ if current high levels of government spending continued.

119. S. Stockwell, ‘Trade, empire, and the fiscal context’, 148. Lobbying on this point, by the BOMA, had been instigated by the Selection Trust group: see ST B2/4, statements by the chairman, A. Chester Beatty, 3 June and 23 June 1948.
122. NA CO 852/551/5, Secretary of State to Northern Rhodesia, 8 Nov. 1945.
125. NA CO 795/135/11, minute by A.B. Cohen, 18 June 1946.
127. NA CO 795/135/11, minutes by A. Emanuel, 27 Nov. 1946 and G. Seel, 28 Nov. 1946.
128. NA CO 795/135/11, Creech Jones to Northern Rhodesia, 3 Dec. 1946.
131. NA CO 852/949/4, minute by A.B. Cohen, 1 Apr. 1947.
132. NA CO 852/949/1, minute by Watson, 10 July 1947.
133. NA CO 852/949/1, Cartmel Robinson (Northern Rhodesia) to CO, 7 Feb. 1947; minute by Monson, 14 August 1947; minute by Eastwood, 1 Sept. 1947.
134. NA CO 852/949/1, minute by Watson, 10 July 1947.
135. NA CO 852/949/1, minutes by Monson, 16 August 1947 and Burt, 18 August 1947.
137. NA CO 852/949/1, minute by Butters, 1 Sept. 1947.
138. NA CO 852/949/1, minute by S. Caine, 3 Sept. 1947. In a broader context, Caine had recently highlighted a fundamental problem implicit in all colonial mining, namely that from the point of view of a particular territory’s interests, it might be preferable to discourage production, leaving a mineral in the ground until rising prices made its exploitation more profitable. In this sense, alterations to taxation systems designed to promote greater production might, in the long term, lead to a loss of revenue for the territory concerned: NA CO 852/950/1, record of meeting between Treasury, Bank of England, Ministry of Supply, Inland Revenue and Colonial Office officials, 27 Aug. 1947, cited in Stockwell, *The Business of Decolonization*, 201. At the same meeting, Caine, voicing the collective Colonial Office view, stressed the political dimension to
colonial taxation policies, and the vital importance of ‘carrying’ the colonies with Britain in programmes of colonial production intended to accelerate metropolitan economic reconstruction: ibid.

139. NA CO 852/949/1, Secretary of State to Governor, Northern Rhodesia, 30 Sept. 1947.

140. NA CO 852/949/2, Deputy to the Governor, Northern Rhodesia, to Secretary of State, 19 Jan. 1948.

141. NA CO 852/949/2, minute by Burt, 29 May 1948.

142. NA CO 852/949/2, minute by Mayle, 14 June 1948.


144. NA CO 852/949/1, minute by Morris, 28 Nov. 1947.

145. NA CO 852/949/1, minute by Monson, 14 August 1947; CO 852/949/2, minute by Burt, 29 May 1948.

146. NA CO 537/7764, Rennie to C.E. Lambert (CO), 10 May 1951. The same considerations led the Colonial Office to oppose strongly the idea of dividend limitation, under discussion by the Treasury and the Board of Inland Revenue since 1950, on the grounds that it would ‘kill’ British investment in the colonies. Labour’s election defeat in October 1951 intervened before the policy could be implemented: NA SUPP 14/29, note by K.D. Rogers (MoM), 15 Oct. 1951; see also M. Daunton, Just Taxes. The Politics of Taxation in Britain 1914–1979 (Cambridge, 2002), 210–11.

147. NA CO 537/7764, minute by Burt, 7 July 1951.

148. Earlier in the year, the BOMA had pressed the Chancellor of the Exchequer, Hugh Gaitskell, to reduce the mining industry’s tax burden. Unless steps were taken to stem emigration by companies, the Association argued, Britain might not only lose control of the mining industry, but also risk losing supplies of minerals: see Financial Times, 2 March 1951.

149. NA CO 537/7764, minute by R.H. Burt, 30 Oct. 1951.

150. NA CO 537/7764, C.E. Lambert to Rennie, 16 Nov. 1951.

151. NA CO 795/128/3, Waddington to Secretary of State, 27 Dec. 1945; Wood, Welensky Papers, 100–1, citing Northern Rhodesia Debates (Lusaka), col. 153f., 11 Dec. 1945. Welensky later argued that the British government could hardly refuse this request, at a time when it was itself planning to nationalise the British coal industry: see Wood, Welensky Papers, 102.

152. NA CO 537/2119, minute by A.B. Cohen, 11 Jan. 1946.

153. NA CO 537/2119, minutes by Creech Jones, 5 Feb. 1946 and Gater, 8 Feb. 1946.

154. NA CO 537/2119, minutes by Caine, 26 Jan. 1946, and Cohen, 5 March 1946.

155. T 220/151, Caine to Sir Bernard Gilbert, 11 April 1946; CO 537/2119, Gilbert to Caine, 4 May 1946; T 220/151, Caine to Gilbert, 1 June 1946.

156. NA CO 537/2119, minute by A.B. Cohen, 7 May 1946.


158. NA CO 537/2119, minute by A.B. Cohen, 29 May 1946; ibid., Caine to Gilbert, 1 June 1946.
159. NA T 220/151, minute by Dunnett (Treasury), 6 June 1946.
161. NA CO 852/936/3, Nolan (BOMA) to Secretary of State, 27 March 1947.
163. NA CO 537/2119, note of meeting in CO, 12 July 1946.
166. NA CO 537/1517, J.B. Williams (CO) to A.J.D. Winnifrith (Treasury), 10 August 1946.
168. NA CO 537/2119, E.J. Waddington to A.B. Cohen, 16 August 1947.
169. NA CO 537/2119, A.B. Cohen to R.C.S. Stanley (Acting Governor, Northern Rhodesia), 13 Feb. 1948; T 220/151, C.G. Eastwood (CO) to Sir Bernard Gilbert (Treasury), 20 Feb. 1948. A similar survey was then being conducted in Nigeria, in connection with ongoing proposals to purchase the United Africa Company’s mineral rights.
170. NA T 220/151, minute by Serpell, 1 March 1948.
171. NA T 220/151, minute by Rampton (Treasury), 17 March 1948.
172. NA CO 537/3610, Sir Gilbert Rennie to A.B. Cohen, 16 April 1948.
174. NA CO 537/3610, Stanley (Deputy to Governor, Northern Rhodesia) to Creech Jones, 9 July 1948.
175. NA CO 537/3610, minute by A.B. Cohen, 19 July 1948.
176. NA CO 537/3610, minute by W.G. Boss, 21 July 1948.
177. NA CO 537/3610, minute by A.B. Cohen, 19 July 1948.
178. NA CO 537/3610, minute by W.G. Boss, 21 July 1948.
179. NA CO 537/3610, minute by A.B. Cohen, 26 July 1948.
180. NA CO 537/3610, minute by A.B. Cohen, 30 July 1948.
181. NA CO 537/3610, record of meeting in CO, 4 August 1948.
183. NA CO 852/949/2, Rennie to H.T. Bourdillon (CO), 1 Nov. 1948; CO 537/3610, Rennie to Sir Thomas Lloyd, 31 Dec. 1948; Wood (1983), 147.
188. NA T 220/152, Creech Jones to Cripps, 25 Feb. 1949. As a result of discussions in 1946, it had been agreed that the Governor would not normally oppose a financial motion or bill brought forward in good faith: ibid., A.B. Cohen to D.B. Pitblado, 3 March 1949.


190. NA CO 795/145/4, minute by Lambert, 3 March 1949; ibid., Cripps to Creech Jones, 28 March 1949.


193. NA T 220/152, Rennie to Secretary of State (for Cohen), 28 April 1949.

194. NA CO 795/145/5, note of meeting on mineral rights, 27 May 1949; ibid., Malcolm to Lloyd, 1 June 1949.


201. NA T 220/152, C.E. Lambert (CO) to A. Mackay (Treasury), 2 August 1949; PREM 8/1066, PM(49)39, Creech Jones to Attlee, 3 August 1949; T 220/152, minute by Ashford (Treasury), 8 August 1949; CO 795/145/6, Rennie to Secretary of State, 15 Sept. 1949. See also Slinn, ‘Commercial concessions’, 377–80.

202. NA BT 172/16 J. Griffiths to R.R. Stokes MP, 14 July 1951.


204. Prain, *Reflections*, 155; Roberts, ‘Notes towards a financial history’, 355. Prain saw the Agreement neither as a capitulation by the BSAC, nor as a victory for Welensky, but rather as an example of the weakness of the Colonial Office: RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 11 August 1949.


206. NA CO 852/936/3, Nolan (BOMA) to Secretary of State, 27 March 1947.

207. NA CO 537/7757, CO brief for Lyttleton on loan and investment finance for colonial development, Nov. 1951. See also Stockwell, *Business of Decolonization*, 212.

209. Phillips, ‘Roan Antelope’, 309–10, citing memoranda by R.L. Prain, 20 Sept. 1949 and 27 Sept. 1949. Conversely, RST felt that the most effective practical safeguard against nationalisation was the large American shareholding in the group’s companies. This, it was felt, would make a British Labour government ‘think twice’ before embarking on a policy of expropriation: see RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 15 June 1951.


211. RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 1 August 1946; NA CO 537/7054, note of meeting, 16 March 1950.

212. NA CO 537/7054, note of meeting, 16 March 1950; minute by A.B. Cohen, 14 June 1950.


214. NA CO 537/7054, note of meeting, 16 March 1950. It is possible that this comment was inspired by experiences at the government-owned Enugu Colliery in Nigeria which, in November 1949, had witnessed serious violence: see Carolyn A. Brown, ‘We Were All Slaves’: African Miners, Culture, and Resistance at the Enugu Government Colliery (Oxford, 2003).

215. NA CO 537/7054, note of meeting, 16 March 1950.

216. NA CO 537/7054, minute by A.B. Cohen, 14 June 1950.


221. NA CO 537/7054, minutes by Harding, 2 Jan. 1951 and A.B. Cohen, 13 Jan. 1951; CO 537/7055, minute by Burt, 18 April 1951; minute by C.G. Eastwood, 30 April 1951.

222. NA CO 537/7055, minute by Lloyd, 11 July 1950.

223. NA CO 537/7055, minutes by Burt, 18 April 1951 and Eastwood, 30 April 1951. By this time, the Corporation’s problematic early financial performance was becoming apparent, causing the Colonial Office ‘considerable uneasiness’: ibid., minute by Sir Hilton Poynton, 6 July 1951.

224. NA CO 537/7055, minute by Harding, 18 April 1951.

225. NA CO 537/7055, minute by Harding and Burt, 18 April 1951.

226. NA CO 537/7055, Rennie to Griffiths, 29 Jan. 1951.

227. NA CO 537/7055, minutes by Harding and Burt, 18 April 1951.

228. NA CO 537/7055, minutes by C.G. Eastwood, 30 April 1951 and Lloyd, 11 July 1951.

229. Again, Ronald Prain’s observations are relevant. Referring to the recent Labour Party pamphlet, Labour Believes in Britain, Prain noted that efficient management had proven to be no safeguard against nationalisation; having exhausted most of the ‘logical’ arguments for nationalisation, the Labour Party, he believed, relied increasingly on the case that it was inequitable.
for economic power to be left in the hands of individuals: RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 21 April 1949.


5 The Copperbelt and the Central African Federation (1949–1957)


5. NA BT 161/118, minute by D.W. Savage (MoM), 13 Feb. 1956.


7. P. Slinn, ‘The legacy of the British South Africa Company: the historical background’, in Bostock and Harvey (eds), Economic Independence and Zambian Copper, 44.

8. L.H. Gann, ‘The Northern Rhodesian copper industry and the world of copper, 1923–52’, Rhodes-Livingstone Journal, 18 (1955), 15. As Prain commented, the post-war period had ushered in a situation complicated by the colour bar, (selective) government interference, the MWU’s closed shop and government bulk-purchasing: ‘One looks back with envy and nostalgia to the carefree days of the 1930s’. See RLPP Box 1, folder 2, Prain to H.K. Hochschild, 26 April 1950.


14. See, e.g., LSE ST B/2, speech by A. Chester Beatty (Chairman) to Annual General Meeting of Selection Trust, 17 July 1952.
15. NA CO 537/7764, Rennie to Griffiths, 2 August 1951.
18. NA CO 537/7762, E.A. Hitchman (Permanent Secretary, Ministry of Materials) to Sir Wilfred Eady (Treasury), 13 March 1952.
22. R.L. Prain, ‘The Copperbelt of Northern Rhodesia’, in Selected Papers Volume II, 1958–60 (London, 1961), 62; Roberts, ‘Notes towards a financial history’, 355. Seeing the tax regime as among the most liberal in the world, Prain was apparently irked that Anglo American, which had done nothing to formulate it, would be among the first to benefit from it: RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 17 Oct. 1951.
24. NA CAB 134/1, A(49)2, CO Memorandum for Cabinet Africa Committee, ‘Co-operation with the Union of South Africa’, 5 July 1949.
25. NA CO 537/7203, minute by A.B. Cohen, 18 April 1951; CAB 129/45, CP(51)122, Annex to Cabinet Memorandum, Confidential minute by G.H. Baxter (CRO) and A.B. Cohen to Secretaries of State, 31 March 1951. The extent of Afrikaner immigration, and its implications, may well have
been exaggerated by Welensky and Huggins so as to promote the Federal cause, offering the latter a politically useful weapon with which to counter opposition: Murphy, *Central Africa Part I*, xlv.


32. NA CO 537/3608, minute by Creech Jones to A.B. Cohen, 8 Oct. 1948; ibid., minutes by Creech Jones, 8 and 28 Oct. 1948.


34. NA DO 35/3588, Memorandum by A.B. Cohen, ‘Relations of the two Rhodesias and Nyasaland’, 15 March 1950, in Hyam, *The Labour Government*, 267–72. Curiously, in the same memorandum, Cohen, while acknowledging that Salisbury lacked firm plans for extended African political participation, described the Southern Rhodesian government’s efforts to promote African advancement, especially in agriculture, as ‘excellent’.

35. NA DO 35/3588, Memorandum by A.B. Cohen, ‘Relations of the two Rhodesias and Nyasaland’, 15 March 1950. As British ministers noted, were the Central African territories to be affected by an economic recession, this might draw them towards a closer alignment with South Africa, whereas an integrated regional grouping might better equip them to resist this: NA CAB 129/45, CP(51)122, Joint Cabinet Memorandum, ‘Closer Association in Central Africa’, 3 May 1951.

36. NA CAB 129/45, CP(51)109, Memorandum by the Commonwealth Relations Secretary, 16 April 1951; see also Hyam, ‘The Geopolitical Origins’, 152–5.


39. NA BT 258/399, Rennie to Secretary of State, 15 April 1953.


42. Hyam, ‘The geopolitical origins’.

43. Roberts, ‘Notes towards a financial history’, 356. Lyttelton, a former Chairman of AEI, had maintained the interest in securing copper supplies which he had demonstrated before the war.


47. RLPP Box 1, Folder 1, Prain to H.K. Hochschild, 18 Nov. 1947; Hochschild to Prain, 19 Nov. 1947; Prain to Hochschild, 3 Dec. 1947 and 1 Jan. 1948. In discussion with the managing director of RAA, Prain formed the impression that Anglo American was seriously considering transferring its domicile to South Africa.

48. NA CO 795/91/21, minute by Sir John Campbell, 29 April 1937.


50. Gann, ‘The Northern Rhodesian copper industry’, 14; Roberts, ‘Notes towards a financial history’, 356. So keen was RAA to reduce its tax liability that it asked the Ministry of Supply to make payment for its bulk-purchased copper in Northern Rhodesia, so as to escape British taxation: NA SUPP 14/29, R.L. Workman (Treasury) to R.E. France (MoS), 14 Dec. 1950.


52. RLPP Box 1, Folder 2, H.K. Hochschild to Prain, 4 May 1951.

53. RLPP Box 1, untitled folder, memorandum by H.K. Hochschild, ‘Visit to the Rhodesias’, 22 Oct. 1949; Box 1, Folder 2, H.K. Hochschild to Prain, 4 May 1951; Prain, *Reflections on an Era*, 100; *The Economist*, 16 Dec. 1950.

54. RLPP Box 1, Folder 2, H.K. Hochschild to Prain, 14 June 1951; ibid., Prain to H.K. Hochschild, 17 Oct. 1951 and 7 Nov. 1951.

55. RLPP Box 2, Folder ‘Sir Roy Welensky’, Prain to Welensky, 10 March 1952.

56. NA CO 1015/347, Welensky to Prain, 5 May 1952. See also Cunningham, *The Copper Industry in Zambia*, 191.

57. NA CO 852/1177/11, note of meeting between Lyttelton, Rennie and Welensky, 6 May 1952; see also NA CO 1015/550, Prain to Lyttelton, 21 Nov. 1952.

58. The BOMA and several mining companies had lobbied strenuously to remove this stipulation from the Finance Bill: see RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 7 May 1951.

59. NA CO 1015/347, A.W. Goodbody, Secretary, RACM Ltd, to Secretary, Treasury, 23 May 1952. Identical letters were sent from all the companies in the RST group.


61. NA CO 1015/347, M.A. Willis (CO) to A.T.K. Grant (T), 3 June 1952.

Materials’ views on this point, arguing that high taxation would drive companies to transfer their domiciles, reducing London’s influence in world markets, and weakening ties with Britain over the supply of expertise. In the case of Northern Rhodesia, however, ‘special circumstances’ applied to contradict this: NA CO 1015/347, minute by Sir H. Poynton, 12 May 1952.

63. NA CO 1015/347, Lyttelton to Butler, 18 Dec. 1952; ibid., minute by Mackintosh, 5 Dec. 1952; note of meeting between Secretary of State and Chancellor of Exchequer, 22 Jan. 1953; J.A. Boyd-Carpenter to Lyttelton, 3 March 1953.


66. RLPP Box 1, Folder 3, Prain to H.K. Hochschild, 11 July 1952. Prain’s doubts were remarkably similar to ideas then current in the Colonial Office, where senior opinion was, at best, agnostic towards the economic benefits of Federation: NA CO 1015/65, minutes by P. Selwyn, 22 Jan., A. Emanuel, 21 Jan., and Sir Hilton Poynton, 29 Jan. 1952, in Murphy, *Central Africa Part I*, 189–93.

67. Slinn, P. ‘Commercial concessions and politics during the colonial period: the role of the British South Africa Company in Northern Rhodesia, 1890–1964’, *African Affairs*, 70 (1971), 379; Phillips, ‘Roan Antelope’, 338–40. In the early years of the Copperbelt’s development, the Colonial Office had believed that the mining industry would not seek amalgamation of the Rhodesias, largely for reasons of labour policy. Rather, it would aim to employ the highest possible proportion of non-European labour: see NA CO 795/30/1, minute by Ormsby-Gore, 20 March 1929.

68. RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 21 April 1951.

69. RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 21 April 1950.


71. Secretary, RACM HQ to J. Thompson, RACM, 21 March 1952, cited in Phillips, Roan Antelope’, 340.


74. RLPP Box 1, Folder 2, memorandum by Prain, ‘Federation and Closer Union’, 14 Sept. 1951. Significantly, both groups supported the idea of encouraging mass European immigration into Central Africa, an idea much discussed in the early 1950s, and associated particularly with the Capricorn Africa Society, which endorsed the ‘Two Pyramid Plan’ developed by Huggins: see letter from David Stirling, President of the Capricorn Africa Society, to *The Times*, 30 May 1951. Briefly, the plan envisaged the development of distinct European and ‘native’ spheres in Southern Rhodesia, ostensibly allowing Africans to progress economically and politically, while creating opportunities for large-scale white immigration. The alternative, as some leading business figures
predicted as early as 1951, might be an African-governed Northern Rhodesia resembling the Gold Coast model, adopting unpalatably radical policies.

76. RLPP Box 1, Folder 2, Prain to H.K. Hochschild, 17 Oct. 1951.
78. RLPP Box 2, Folder ‘Sir Roy Welensky’, Welensky to Prain, 2 March 1952. Welensky was already being tipped in Whitehall as Huggins’ likely successor, if the scheme for Federation went ahead: NA CO 1015/347, E. Melville (CO) to H.L. Jenkins (Treasury), 29 Jan. 1952.
80. NA CO 852/1177/11, Swinton to Sir Harry Railing (Chairman, General Electric Company), 25 July 1952. Oliver Lyttelton, who had worked with Prain during the war at the Non-Ferrous Metals Control in Rugby, was convinced that Prain, not Chester Beatty, was the ‘real power’ behind RST: see NA CO 1015/339, minute by W.L. Gorell Barnes, 2 July 1953.
81. RLPP Box 2, Folder ‘Sir Roy Welensky’, Prain to Welensky, 10 March 1952 and 15 July 1952.
83. Murphy, Party Politics and Decolonization, 75.
84. RLPP Box 1, Folder 3, H.K. Hochschild to J.H. Lascelles (Charter House, Salisbury), 2 Sept. 1953; ibid., Prain to H.K. Hochschild, 9 Nov. 1953. At the same time, Prain had not been complacent about politics within the Federation. Shortly before the election, he recorded his concern that the segregationist and anti-business Confederate Party might benefit from RST’s known advocacy of African advancement, and from the decline in copper prices which had occurred since the April referendum in Southern Rhodesia: see RLPP Box 1, Folder 3, Prain to H.K. Hochschild, 10 Oct. 1953.
85. Prain, Reflections on an Era, 134–5. Perhaps slower to respond to changing political conditions, the BSAC is alleged to have continued giving financial support to the UFP until 1962: see Slinn, ‘Commercial concessions’, 379.
87. See Stockwell, The Business of Decolonization, esp. ch. 4.
88. RLPP Box 2, Folder ‘Sir Roy Welensky’, Prain to Welensky, 7 July 1954; Box 1, Folder Amco/AMAX, Prain to W. Hochschild, 3 and 23 August 1954; Box 1, Folder 4, H.K. Hochschild, 14 April 1955; Box 2, Folder ‘Sir Roy Welensky’, Welensky to Prain, 30 Jan. 1959.
89. Prain, Reflections of an Era, 102.
much importance to the creation of the Federation, believing it would attract both settlers and capital to the region: see NA FO 371/99053, UE E222/1, minute by Makins, 17 Sept. 1952.


96. NA CO 1015/943, Benson to W.L. Gorell Barnes, 23 Dec. 1955.


102. NA CO 537/7055, minute by C.E. Lambert, 12 Feb. 1951.


104. Roberts, ‘Notes towards a financial history’, 357.


106. Gann, ‘The Northern Rhodesian Copper industry’, 15.


112. NA DO 183/44, Mackay (Rhokana Corporation), speaking to the Advisers, 15 August 1962.


114. Prain, *Reflections on an Era*, 103. Significantly, Prain acknowledged that although Northern Rhodesia had in the past relied heavily on the copper industry for its revenue, the new conditions of Federation had reduced this dependence somewhat, though the copper industry continued to be the largest single contributor to government income: ibid., 122.


119. RST group of companies, ‘Statement by the Chairman’, to accompany *Annual Report*, 1957.

120. NA BT 161/118, minute by D.W. Savage (MoM), 13 Feb. 1956.


124. Prain, *Reflections on an Era*, 135. Prain had consistently advised Welensky about his misgivings in this respect, and was quick to recognise, early in 1957, that the copper industry faced a period of turbulence: RLPP Box 2, Folder ‘Sir Roy Welensky’, Prain to Welensky, 31 Jan. 1957.


136. Prain, *Reflections on an Era*, 196–200. Prain subsequently explained that his decision to give evidence had been driven first by a desire that Rhodesia’s chances of raising further external loans should not be jeopardised; secondly, from a fear that otherwise, any RST official visiting the United States might be subpoenaed, or even that the group’s largest shareholder, AMC, ‘whose position had to be protected’, might itself be summoned. Ibid., 201.
Notes

140. LSE ST B/2/5, 4 June 1957.
144. Prain, Reflections on an Era, 129.
145. Prain, Reflections on an Era, 130.
149. Prain, Reflections on an Era, 130–2.
150. NA CO 1015/946, Benson to W.L. Gorell Barnes, 1 April 1955, in Murphy, Central Africa Part I, 271–7; CO 1015/943, Benson to Gorell Barnes, 23 Dec. 1955.
152. NA CO 1015/923, Benson to Secretary of State, 25 Nov. 1955.
155. NA CO 1015/924, Benson to Sir H. Poynton, 13 March 1956; ibid., brief for Sec. of State, 9 April 1956.
156. NA CO 1015/923, Lennox-Boyd to R.A. Butler, 30 Nov. 1955.
159. RLPP Box 1, Folder 4, Prain to H.K. Hochschild, 20 March 1955.
160. RLPP Box 1, Folder 4, Prain to H.K. Hochschild, 8 Sept. 1955.
165. NA CO 1015/923, Benson to Gorell Barnes, 9 Jan. 1956.
169. RLPP Box 1, Folder 4, H.K. Hochschild to Prain, 11 May 1955 and 6 Sept. 1955. Prain, while stressing that education remained a responsibility of government, was keen to explore means of assisting with the

170. RLPP Box 2, Governors Folder, Benson to Prain, 10 Oct. 1955.


176. NA CO 1015/339, minute by W.L. Gorell Barnes, 2 July 1953.

177. RLPP Box 1, Amco/AMAX folder 1, Prain to W. Hochschild, 26 July 1954.

178. RLPP Box 1, Folder 3, Prain to H.K. Hochschild, 16 Feb. 1953; H.K. Hochschild to Prain, 26 Feb. 1953.


180. NA BT 161/122, High Commissioner, Salisbury to CRO, 4 May 1953.

181. NA CO 1015/339, minute by W.L. Gorell Barnes, 29 June 1953.


183. NA CO 1015/339, minute by W.L. Gorell Barnes, 29 June 1953.


188. Cunningham, *The Copper Industry in Zambia*, 195. By the same token, it is argued, RST and AMC came to see the Federation as a failure far more quickly than RAA.

189. RLPP Box 1, untitled folder, H.K. Hochschild to A. Chester Beatty, 23 August 1949.

190. Roberts, ‘Notes towards a financial history’, 358. As Roberts points out, this process continued during the early 1960s, seeing the company diversify further into mining aluminium and potassium nitrate in the United States, and iron in Australia.


192. NA CO 1015/399, A.T. Williams (Acting Governor, Lusaka) to J.E. Marham (CO), 22 Dec. 1953.


194. NA CO 1015/1128, J.E. Marnham (CO) to A.E.T. Benson (Governor-designate, Northern Rhodesia), 4 Feb. 1954.

195. RLPP Box 2, Folder ‘African advancement on the Copperbelt in the 1950s’, notes on the advancement situation by R.L. Prain, 1 April 1954.

196. RLPP Box 1, Folder 3, H.K. Hochschild to Prain, 6 April 1954.

197. RLPP Box 1, Folder 3, H.K. Hochschild to Prain, 7 May 1954; ibid., Prain to H.K. Hochschild, 21 May 1954.


200. RLPP Box 1, Folder 3, Prain to H.K. Hochschild, 21 Sept. 1954.


203. NA CO 1015/1129, Benson to Lennox-Boyd, 4 August 1955.

204. RLPP Box 1, Folder 3, H.K. Hochschild to Prain, 20 Sept. 1954.

205. RLPP Box 1, Folder 3, H.K. Hochschild to Prain, 1 Oct. 1954.


207. Murphy, *Party Politics and Decolonization*, 74. Welensky had already reminded the MWU that the Federal government was constitutionally debarred from interfering in industrial and trade union matters: RLPP Box 2, Folder ‘Sir Roy Welensky’, Welensky to Prain, 2 Dec. 1954.


211. NA CO 1015/1129, Benson to Lennox-Boyd, 4 August 1955.


217. The agreement was described as ‘Mr Prain’s Victory’: see *The Economist*, 17 Sept. 1955.

218. NA DO 35/5719, note of meeting in CRO, 22 June 1956.


6 The Demise of the Federation


2. NA CO 1015/1622, Sir Arthur Benson to J.C. Morgan (CO), 4 June 1958.

3. Early in 1957, Prain was convinced that a cut in production would have great psychological benefits for the Copperbelt, and probably net RST more income than continued full production when the market was falling: RLPP Box 3, ST Group Folder, Prain to A. Chester Beatty, 20 Feb. 1957.


6. BLCAS MS Welensky 657/5, ff.38–9, Prain to Welensky, 13 Jan. 1958; ibid., ff.40–1, Welensky to Prain, 20 Jan. 1958. Baffled by the volatility of copper prices, Welensky had previously voiced his fears that he might be forced to increase taxes, which he sought to avoid prior to the general election in 1958: RLPP Box 2, Folder ‘Sir Roy Welensky’, Welensky to Prain, 21 Feb. 1957.


8. Late in 1961, RST was actively trying to support the copper market, claiming the credit for the subsequent rise in prices: RLPP, Box 2, Prain to Welensky, 9 Oct. 1961.


14. NA DO 183/221, ‘Joint memorandum on the Companies Operating in Northern Rhodesia of the Anglo American Corporation and Rhodesian Selection Trust’ (Restricted), 11 July 1963.

15. NA DO 183/216, minute by G.W. Jamieson (CAO), 4 June 1964 and minute by N.D. Watson, 5 June 1964.


17. R.L. Prain, *Reflections on an Era: Fifty Years of Mining in Changing Africa: The Autobiography of Sir Ronald Prain* (London, 1981), 115; Cunningham, *The Copper Industry*, 166, 171. Roan Antelope, for instance, decided to build a new refinery at Ndola, enabling it to process ore from other Copperbelt mines. One-third of the capital cost of £3 million was provided by British Insulated Callender’s Cables Ltd., which had been refining Copperbelt ore at its refinery in Prescot, Lancashire, since the 1930s: see Cunningham, *The Copper Industry*, 184–5.

According to Hazlewood’s calculations, by the end of the Federal period, Northern Rhodesia had witnessed a net loss of some £97 million to the Federation.


25. Baldwin, *Economic Development*, 103–4. The companies’ efforts to achieve a lasting solution were recognised by the Commission of Inquiry, chaired by Sir Ronald Morison, whose report was published in June 1962.


27. *Report of the Commission Appointed to Inquire into the Mining Industry in Northern Rhodesia* (Lusaka, 1962), 20; F. Cooper, *Decolonization and African Society. The Labor Question in French and British Africa* (Cambridge, 1996), 345–6. More specifically, it is possible that the Northern Rhodesian government’s inaction reflected a desire to avoid antagonising either European or African sentiment in the midst of inflamed tensions over the ongoing question of constitutional reform.

28. RLPP Box 2, Governors Folder, Sir Arthur Benson to Prain, 6 April 1959.


30. NA DO 183/62, Hone to R.A. Butler (CAO), 8 August 1962.


46. NA CO 1015/2275, Hone to W.B.L. Monson (CO), 2 Sept. 1960.


57. NA CO 1015/2219, Hone to Macleod, 7 March 1961.

NA DO 154/27, Alport to Sandys, 7 Sept. 1961. This was a point repeatedly made by Welensky.


Darwin, Britain and Decolonisation (Basingstoke, 1988), 274–5.

Gifford, ‘Misconceived dominion’, 413; Holland, European Decolonization, 232.

The impossibly complex and murky ramifications of the Congo’s tragedy cannot be discussed in detail here. The most authoritative accounts of Britain’s position in relation to the crisis are A. James, Britain and the Congo Crisis, 1960–63 (Basingstoke, 1996), and the same author’s Britain, the Cold War, and the Congo crisis, 1960–63’, Journal if Imperial and Commonwealth History, 28, 3 (2000), 152–68. See also chapter 6, ‘The Congo Crisis’, in N.J. Ashton, Kennedy, Macmillan and the Cold War. The Irony of Interdependence (Basingstoke, 2002), 109–26.

NA FO 371/6477314, minute by E.B. Boothby (FO), 29 Sept. 1961; FO 371/161556, minute by F.J. Erroll (President, BoT) for Prime Minister, 12 Oct. 1962.

Murphy, Central Africa Part I, lxxxvii–xcii; Louis and Robinson, ‘The imperialism of decolonization’.


NA CO 1015/1747, extract from The Economist, 12 July 1959. On the background to ideas on partitioning Northern Rhodesia, see also Murphy (ed.), Central Africa, xcii–xiii.


NA DO 183/62, Memorandum to the Minister of State for Central African Affairs by the leadership of UNIP, 21 May 1962.

NA DO 183/217, R.E. Luyt (Acting Governor, Lusaka) to Lord Alport (British High Commissioner, Salisbury), 29 Dec. 1962.


NA DO 183/44, Views expressed to the Advisers by representatives of the ANC, 26 July 1962.

NA DO 183/44, Views expressed to the Advisers by the Governor, Northern Rhodesia and Official Ministers, 13 August 1962.
82. NA DO 183/40, Brief for the Secretary of State’s visit to Central Africa, Jan. 1963; FO 1109/533, Note for R.A. Butler, ‘The Present Situation in the Federation’, Jan. 1963. London’s apparent fatalism about the Federation, and its vagueness about possible future economic links, infuriated Welensky: BLCAS MS Welensky 198/4, ff.27–30, 12 Feb. 1963. Of particular concern to the Federal government was the possibility that, after secession, Northern Rhodesia might attempt to develop tariff-protected secondary industries, excluding imports from Southern Rhodesia. Without access to lucrative northern markets, it was reasoned, industry south of the Zambezi would inevitably struggle: NA T 317/301, P.W. Ridley (BoT) to M.R. Metcalf (CAO), 14 May 1963.
83. NA CAB 128/37, CC19(63)2, 28 March 1963, in Hyam and Louis (eds), no. 517, 592–3. In Hone’s view, it was essential to make some public announcement on the dismantling of the Federation in order to reinforce the ‘moderate’ leadership of Kaunda and Nkumbula: NA DO 183/50, Hone to CAO, 18 April 1963.
89. NA CAB 134/1354, Cabinet Africa (Official) Committee, AF(59)11 (Revised), ‘The Next Ten Years in Africa (South of the Sahara) Economic and Commercial Prospects’, Memorandum by BoT, 3 April 1959.


98. NA ECG 1/36, Export Guarantees Advisory Council, 228th meeting, 19 July 1961, Item 3.

99. NA DO 165/91, minute by D.J. Kirkness (CO), 15 June 1961; CO 1015/2496, ‘Export Guarantee Committee. Federation of Rhodesia and Nyasaland. Paper prepared by the Commonwealth Relations Office’, 9 August 1961. A curious aspect of this episode is that, as the ECGD revealed confidentially to the CRO, a representative of the Standard Bank of South Africa, sitting on the ECGD’s Advisory Council, had ‘pressed hard’ for the Federation’s credit-worthiness to be downgraded still further to ‘Category D’: see CO 1015/2496, minute by D.J. Kirkness (CRO), 17 August 1961. Standard was one of the two British-owned concerns which dominated banking in South Africa. This behaviour gives some credence to the Federal government’s suspicions that pro-Union elements within the Federation sought to discredit the latter’s reputation as a ‘safe’ investment opportunity, part of a wider strategy among white ‘extremists’ to dismember the Federation and see at least part of it joined to South Africa: RLPP Box 2, Folder ‘Sir Roy Welensky’, Welensky to Prain, 30 Jan. 1959. Suggestions had already been made that the Federation’s ‘phenomenal’ early economic development may have reflected investors’ greater confidence in Federal prospects than in the stability of South Africa: The Times, 3 Feb. 1958.

100. NA CO 1015/2496, Sandys to Maudling, 4 August 1961. Lord Alport had already made the same case, and this argument would subsequently be repeated by Hugh Fraser, writing on behalf of Iain Macleod: ibid., Alport to CRO, 26 July 1961; Fraser to CRO, 17 August 1961.

101. NA CO 1015/2496, minute by D.J. Kirkness (CRO), 17 August 1961. Moreover, since commercial firms who applied for credit had to be aware of a country’s ECGD grading, it had to be assumed that this information might become public knowledge: NA DO 165/91, minute by D.J. Kirkness, 31 May 1961.
102. NA CO 1015/2496, Sir Richard Powell (Permanent Under-Sec., BoT) to Sir Alexander Clutterbuck (CRO), 15 August 1961; Powell to Sir Hilton Poynton (CO), 21 August 1961.


104. NA CO 1015/2496, G.D. Anderson (CRO) to D.A. Scott (Deputy High Commissioner, Salisbury), 1 Sept. 1961; minute by A. McM. Webster, 8 Sept. 1961.

105. NA CO 1015/2496, minute by D.J. Kirkness (CRO), 17 August 1961.


107. NA DO 183/216, Fujio Inoue (Business and Industrial Consultant, Tokyo) to CO, 30 Oct. 1964 and G.W. Jamieson (CRO) to C.G. Cruickshank (BoT), 12 Nov. 1964.


109. LSE ST G1/15/3, statement by Prain, 22 Oct. 1960. As the Minister of African Education, G.M. Musumbulwa commented, this assistance was expected to make a significant difference to the government’s plans. The mining companies, he noted, had shown a ‘remarkable sense of public duty and civic responsibility’: East Africa & Rhodesia, 24 March 1960.

110. RLPP Box 1, Folder 5, H.K. Hochschild to Prain, 18 Dec. 1957; ibid., Box 1, Folder 4, H.K. Hochschild to Prain, 11 May 1955, and Box 1, Folder 5, Hochschild to Prain, 25 Nov. 1959.

111. RLPP Box 2, Governors Folder, Sir Evelyn Hone to Prain, 4 Nov. 1959.

112. NA CAB 134/2448, RN(60)27, Cabinet Rhodesia and Nyasaland (Constitutional Review) Committee, Governor of Northern Rhodesia’s Comments on the Monckton Report, 15 Nov. 1960.


116. NA DO 183/217, R.E. Luys (Acting Governor, Northern Rhodesia) to Lord Alport (British High Commissioner, Salisbury), 29 Dec. 1962.


118. NA DO 183/62, Hone to CAO, 16 Feb. 1963.

119. NA DO 183/62, Hone to CAO, 5 March 1963.

120. Murphy, Central Africa Part I, xcv.
7 The Mining Industry and Zambian Independence

1. See, e.g., BLCAS MS Welensky 657/5, f.12, Prain to Welensky, 31 Jan. 1957.
4. RLPP Box 1, Folder 5, H.K. Hochschild to Prain, 13 May 1958. Prain was able to reassure the Hochschilds that funds had been made available to the URP ‘from certain quarters’, ibid., Prain to H.K. Hochschild, 20 May 1958.
7. BLCAS MS Welensky 657/5, f.60, Welensky to Prain, 7 Jan. 1959; ibid., f.61, Prain to Welensky, 16 Jan. 1959.
10. NA DO 35/7620, M.R. Metcalf (UK High Commissioner for Federation of Rhodesia and Nyasaland) to Home, 29 August 1959. The Commonwealth Relations Secretary, Lord Home, was interested in Prain’s ideas and was keen to know what progress he made, and what the local reaction was, especially from Anglo American: ibid., 3 Sept. 1959.
12. NA DO 35/7620, Hone to Monson, 1 Oct. 1959. Prain was considering Chief Chikwanda of Mpika District.
13. RLPP Box 3, ST Group Folder, Prain to A. Chester Beatty, 13 August 1964.
15. Prain, Reflections, 139; R. Sklar, Corporate power in an African state: the political impact of multinational mining companies in Zambia (Berkeley, 1975), 142.
18. NA DO 183/221, extract from the Evening Standard, 23 Nov. 1959.
19. NA DO 183/221, extract from the Northern News, 24 Nov. 1959.
21. NA DO 35/7620, minute by D.A. Scott (CRO), 5 Nov. 1959. Prain’s progressive attitude towards African nationalism can be seen much earlier. In July 1956, in response to Lennox-Boyd's request for Prain’s views on the situation in Northern Rhodesia, Prain had stressed the need for the Lusaka authorities to accept the existence of the African National Congress and to deal with it. The most powerful African political grouping in the territory, the ANC had recently become involved in industrial unrest on the Copperbelt. In Prain’s view, it was a mistake to ignore the
Congress, and risk driving it towards extremism: the movement included numerous able men, ‘whose energies might well be controlled and led along right lines’. The best way of dealing with African nationalism, he felt, was to harness its energy and, through discussion and negotiation, to guide it towards ‘constructive’ purposes. To Prain, the Northern Rhodesian government’s attitude to Congress (both its main leaders were imprisoned in 1955) was misguided: Lusaka could not persist in ignoring the movement or its apparent legitimacy: see RLPP Box 2, Zambia file, Prain to Lennox-Boyd, 23 July 1956; ibid., Box 1, file 4, Prain to H.K. Hochschild, 5 August 1956.

22. NA DO 183/216, minute by W.B.L. Monson (UK High Commissioner, Zambia), 17 Dec. 1964.
24. NA PREM 11/3075, PM(59)60, minute by Macleod to Macmillan, 3 Dec. 1959; FO 371/146661, Macleod to Selwyn Lloyd, 19 July 1960, in P. Murphy (ed.), Central Africa Part II, 153; Prain, Reflections, 144. Prain felt that Macleod took a ‘much more positive’ view of the question of African nationalism than had his predecessor, Alan Lennox-Boyd, shown, for example, by his willingness to meet Kaunda: Prain, Reflections, 144.
28. Prain, Reflections, 143.
29. Murphy, Party Politics, 106.
30. NA DO 183/477, G.W. Jamieson (CRO) to J.A. Molyneux (Adviser on Commonwealth and External Affairs, Deputy Governor’s Office, Lusaka, 31 July 1964. Jamieson admitted that he was ‘often uncomfortably aware’ that his opposite number in Washington was probably better informed on Northern Rhodesian affairs than he was: ibid., 12 August 1964.
34. NA PREM 11/2787, 12 June 1959. It is also conceivable that Prain was omitted from the Commission because he was more useful to London as a ‘free agent’, a respected channel for communicating the new course in colonial policy, and a potential go-between, establishing links between the British government and African nationalist leaders.
36. Royal Institute of International Affairs: File RIIA/8/2715, transcript of meeting attended by Prof. Max Beloff, Prof. S. Herbert Frankel, Philip Mason and Sir Ronald Prain, 8 Nov. 1960, ff.20–1.
38. BLCAS MS Welensky 657/5, f.95, Welensky to D. Macintyre, 3 Nov. 1960.
39. BLCAS MS Welensky 657/5, f.101, telegram from Prain to Welensky, 15 Nov. 1960. After this episode, correspondence between Prain and Welensky apparently became less frequent, although still ‘correct’.
40. NA DO 183/221, ‘Neo-Colonialism’, Annex D.
41. NA DO 183/221, ‘Neo-Colonialism’, Annex D.
43. NA FO 371/155045, K.A. East (CRO) to E.B. Boothby (FO), 12 Sept. 1961.
44. NA FO 371/162196, R.D.J. Scott Fox (British Embassy, Santiago) to F.A.A. Hankey (American Dept., FO), 13 March 1962; Prain, Reflections, 178; S. Cunningham, The Copper Industry in Zambia: Foreign Mining Companies in a Developing Country (New York, 1981), 295, 311. Although the Federal government was content to see the Group continue its prospecting work in Bechuanaland, it instructed RST to cease its exploratory activities in Chile and in the Australian nickel industry. In 1959, RST concluded an agreement with the Bamangwato community of central Bechuanaland to prospect for, and exploit, ore bodies. This provided, inter alia, that in the event of the formation of a company to develop any discoveries, the Bamangwato would receive, gratis, 15 per cent of its shares and two seats on its board, provisions described by Lord Home as ‘novel and encouraging’. Meanwhile, RST was anxious not to arouse ‘public excitement’ about its activities: NA DO 35/7620, Home to M.R. Metcalf (UK High Commissioner, Salisbury), 3 Sept. 1959; DO 183/221, ‘Neo-Colonialism’, 10 Oct. 1963.
48. BLCAS MS Welensky 231/11, ff.1–8, 8 March 1963. Bennett’s remarks were made to the South African Embassy in Washington, and conveyed to the Secretary for Foreign Affairs in Pretoria. A copy of the letter, interestingly, found its way into Welensky’s hands.
49. RLPP Box 1, Folder 2, H.K. Hochschild to Prain, 18 June 1951.
51. RLPP Box 1, Folder 5, H.K. Hochschild to Prain, 24 March 1960.
53. NA DO 183/221, ‘Neo-Colonialism’, Annex D.
54. S. Stockwell, *The Business of Decolonization. British Business Strategies for the Gold Coast* (Oxford, 2000), 119–28. Until 1945, the mining industry had no effective representation in the Northern Rhodesian Legislative Council. This was seen as a disadvantage when the Council was discussing matters of particular concern to the Copperbelt, such as labour: NA CO 795/125/12, minute by A.B. Cohen, 12 Nov. 1943. Post-war constitutional changes gave the industry one representative among the newly-increased cohort of nominated ‘unofficials’: A. Roberts, *A History of Zambia* (London, 1976), 207.
57. Murphy, *Party Politics*, Kahler, *Decolonization* (1984), 286. Although, on the eve of the Federation’s dissolution, both mining groups expressed the hope that Northern and Southern Rhodesia would find a means of preserving their economic co-operation, thereby endorsing the official line taken by the British government, there were rumours that RST’s true aims contradicted such statements. When he met Butler in May 1962, for example, J.A. Clark, the Federal Minister of Commerce and Industry alleged that RST was advising Kaunda to foster economic development apart from Southern Rhodesia, on the grounds that racial partnership could not readily be achieved, and that Northern Rhodesia should become an explicitly African state, in which Europeans would be regarded as expatriates, not citizens. When Clark urged Butler to use his influence to secure the maximum degree of co-operation between the two territories, Butler replied pointedly that in Southern Rhodesia, Field’s government appeared to be giving the achievement of independence priority over economic considerations, jeopardising Southern Rhodesia’s own economic interests: NA DO 183/40, Note of meeting, 8 May 1962.
59. NA DO 183/221, ‘Joint Memo’, 11 July 1963. Officials in Whitehall were well aware that in some quarters (including AMAX and RST), it was felt that because of its South African connections, Anglo American had been slower than RST to adjust to political change. This claim had been made in a paper delivered on 31 August 1962 by the economist F. Taylor Ostrander, assistant to the Chairman of AMAX, on ‘The Corporate Structure of the Rhodesian Copperbelt Mining Enterprise’. This alleged that Anglo American’s outlook was shaped by the Group being domiciled in South Africa, and that corporate policy guiding the Group’s operations was formed at the corporate headquarters in Johannesburg, whereas the RST Group’s policy was formulated in Rhodesia: NA DO 183/221, ‘Neo-Colonialism’, 10 Oct. 1963. Ostrander’s paper had stung Harry Oppenheimer into writing to Harold Hochschild, specifically denying that Anglo’s policies on social and labour matters were coloured by its South African domicile. To Oppenheimer, in the existing climate, such claims were potentially damaging: RLPP Box 1, Folder ‘Correspondence with Harry Oppenheimer and other AAC Directors’, Oppenheimer to H.K. Hochschild, 20 Feb. 1963.

61. E.g. Sklar, *Corporate Power*, 142.


63. NA DO 35/7620, Metcalf to Clutterbuck, 9 Oct. 1959.

64. NA DO 183/221, ‘Neo-Colonialism’, Annex C.


66. NA DO 183/217, R.E. Luyt (Acting Governor, Northern Rhodesia) to Lord Alport (British High Commissioner, Salisbury), 29 Dec. 1962. During summer 1963, speculation about Oppenheimer’s plans with regard to the BSAC began to surface in the Salisbury press. It was rumoured that the take-over of Chartered, to bring its operations into line with Northern Rhodesia’s current needs, was to be part-financed by a ‘nominal’ contribution of £20 million, which the Northern Rhodesian government would be asked to provide: NA DO 183/221, D.A. Scott (British High Commission, Salisbury) to H.G.M. Bass (CAO), 28 August 1963.

67. BLCAS MS Welensky 231/11, ff.1–8, South African ambassador (Washington) to Secretary for Foreign Affairs ( Pretoria), 8 March 1963.


73. Kahler, *Decolonization*, 301. Among Chartered’s Directors, for example, was Lord Salisbury, who led the parliamentary campaign against the British government’s policy of accelerated decolonization, and was an unrestrained critic of Iain Macleod: P. Keatley, *The Politics of Partnership. The Federation of Rhodesia and Nyasaland* (Harmondsworth, 1963), 451.


76. NA DO 183/221, D.A. Scott to H.G.M. Bass (CAO), 28 August 1963.


79. NA DO 183/221, H.G.M. Bass (CAO) to D.A. Scott (British High Commission, Salisbury), 12 July 1963. In January 1960, while Macmillan was visiting Accra as part of his African tour, Kwame Nkrumah delivered a highly influential speech, arguing that the colonial powers were constructing a new system, designed to create weak independent states, and so safeguard their stake in Africa after independence. Despite political independence, he claimed, Western economic domination continued through the former colonial powers’ control of the economic activities of newly-independent countries: *Ghana Times*, 9 Jan. 1960. This state of ‘conditional independence’ was later elaborated into a full theory of ‘neo-colonialism, which in turn drew on Leninist theory, and particularly the message from the Soviet Deputy Foreign Minister to the Bandung Conference in April 1955, and Khruschev’s reference to ‘Neo-Colonialism’ at the 20th Congress of the Communist Party of the Soviet Union in February 1956. The idea was taken up and discussed at the All-African Peoples’ Conference in Cairo in 1961.

80. NA DO 183/221, H.G.M. Bass (CAO) to Hone, 12 July 1963.

81. NA DO 183/221, C.T. Crowe to J.G. Tahourdin (FO), 26 Nov. 1962. Crowe suggested that a possible author of the study might be Maurice Zinkin, a former Indian Civil Servant and latterly Head of Economics and Statistics at Unilever, who had written two of the first studies of development economics.


85. NA DO 183/216, minute by D.J. Kirkness (CO), 13 August 1962. This comment was prompted by a suggestion, made by a representative of the Schroeder Wagg Company to Sir Roger Stevens, Chairman of Butler’s group of Advisers, that the key to resolving the problems of Katanga and the Congo was to find a means of internationalising control of the mining industry there, perhaps with the help of the IBRD. It had been further suggested that a similar device might be applied to the Copperbelt. In the CO’s view, the Copperbelt companies had simply done nothing to warrant such treatment: NA DO 183/216, Note by Sir Roger Stevens, 10 July 1962, minute by G.W. Jamieson (CAO), 10 August 1962, and minute by D.J. Kirkness (CO), 13 August 1962.

86. NA DO 183/221, D.A. Scott (British High Commission, Salisbury) to H.G.M. Bass (CAO), 28 August 1963.

88. NA DO 183/221, Hone to H.G.M. Bass (CAO), 19 Sept. 1963.

89. NA DO 183/221, P.M. Foster (FO) to H.G.M. Bass (CAO), 8 Oct. 1963.


92. Stockwell, *The Business of Decolonization*, 213–14, 220. As Stockwell notes, the Volta Rover Project had a wider significance in the context of the Cold War, demonstrating the West’s perceived need to forestall Soviet penetration of the region: ibid., 217.

93. Kahler, *Decolonization*, 299. In September 1961, for example, sources close to Tshombe reported that he had refused an offer from President Adoula to come to terms with the Katangese government if it acquiesced in the nationalisation of Union Minière, which produced the bulk of Katanga’s wealth. It was reported that Adoula had proposed to expel the company’s Belgian employees, and to replace them with Czech workers: NA FO 371/155045, 28 Sept. 1961.


95. NA PREM 11/3367, F. Mills (CRO) to D.F. Hubback (T), 7 Feb. 1961. British nervousness about conditions in Ghana were exposed in September 1960, when ‘reliable sources’ led the British government to believe that Nkrumah’s government was planning to nationalise the country’s entire import trade. The plan was believed to be sponsored by the left-wing group, currently in the ascendant within the Ghanaian government, which shared the conviction that the country had not yet achieved economic independence. This was seen as the ‘most serious threat yet’ to Britain’s commercial interests in Ghana. Were it to proceed, the CRO feared, British and foreign investment in Ghana would dry up immediately, and the entire Ghanaian economy might soon be disrupted. This in turn might force Ghana to seek Soviet help, bringing the country into the Communist camp: NA PREM 11/3368, High Commissioner, Accra, to CRO, 19 Sept. 1960; ibid., Sir Alec Clutterbuck (CRO) to T.J. Bligh, 23 Sept. 1960. When Macmillan raised the subject with Nkrumah, the latter appeared to be unaware of the proposal. Macmillan was encouraged when he was shown the text of Nkrumah’s forthcoming broadcast, which offered ‘valuable assurances’ on the import trade, which were seen as a reversal for the ‘extremists’ and a victory for the advocates of free enterprise: NA PREM 11/3368, Accra to CRO, 26 Sept. and 8 Oct. 1960.

96. RLPP Box 1, Amco/AMAX Folder, Walter Hochschild to Prain, 6 April 1954. A further consideration was that under the proposal, Anglo American would (through its Mufulira interests) become shareholders in Roan, and acquire seats on Roan’s board. This, it was thought, might be ‘most embarrassing’ for the company’s position on the colour bar: ibid.

97. RLPP Box 1, Folder ‘Correspondence with Harry Oppenheimer and other directors of AAC’, Prain to Oppenheimer, 6 March 1958.

98. NA DO 183/216, minute by G.W. Jamieson (CAO), 17 August 1962.

Notes


104. NA DO 183/221, C.T. Crowe (New York) to J.G. Tahourdin (FO), 26 Nov. 1962.

105. NA DO 183/221, Colyton to Home, 13 Feb. 1963. The Board emerged as one of the most vocal critics of Macmillan’s colonial policy during the early 1960s, and was vigorous in putting the case for the continuation of the Federation: see N.J. White, ‘The business and the politics of decolonization: the British experience in the Twentieth Century’, *Economic History Review* 53, 3 (2000), 551–2.


110. UN Security Council S/2002/161, letter dated 29 Jan. 2002 from the Under-Secretary-General for Legal Affairs, the Legal Counsel, addressed to the President of the Security Council. See also J. Warden Fernandez, ‘The Permanent Sovereignty over Natural Resources: How it has been accommodated within the evolving economy’, *CEPMLP Annual Review 2000* – Article 4 [URL: http://www.dundee.ac.uk/cepmlp/car].

111. NA FO 371/161074/UNS22615/20, Note by Earl Cruickshank, 6 Nov. 1961.

112. NA FO 371/166966/UNS22615/9, draft brief on PSNR by N.P. Bayne (FO), 12 Sept. 1962.

113. NA FO 371/166966/UNS22615/9, draft brief by FO, Ministry of Power and CO on PSNR, 24 Sept. 1962.


115. NA PREM 11/5026, Note of meeting, 13 August 1964; DO 183/216, Sir Burke Trend to Sir Saville Garner (CRO), 14 August 1964.


119. NA CO 1015/2429, minute by K.J. Neale, 7 July 1961; ibid., Hone to W.B.L. Monson (CO), 17 July 1961 and Macleod to Robins (BSAC),
27 July 1961; ibid., Brief for discussions with the BSA Company, ‘Mineral Rights for Northern Rhodesia’, n.d.

121. NA CO 1015/2429, P.V. Emrys-Evans (BSAC) to Macleod, 3 August 1961.
123. NA CO 1015/2429, Hone to W.B.L. Monson, 7 Sept. 1961. As already seen, it was during 1961 that the Federation’s difficulties in financing development in all three territories had crystallised.

126. NA CO 1015/2429, Maudling to Robins, 13 March 1962.
128. NA CO 1015/2429, minute by N.D. Watson, 4 April 1962.
129. NA CO 1015/2429, Robins to Hone, 5 April 1962; ibid., N.D. Watson (CAO) to Hone, 19 April 1962; DO 183/200, Hone to Butler, 3 May 1962.
130. NA DO 183/200, minute by G.W. Jamieson (CAO), 23 May 1962.
131. NA DO 183/201, extract from ANC election manifesto, Sept. 1962.
133. NA DO 183/200, Note of meeting, 21 Sept. 1962.
136. NA DO 183/200, Sir Patrick Dean (New York) to FO, 21 Nov. 1962.
137. NA DO 183/201, Hone to N.D. Watson (CAO), 8 Nov. 1962.
140. NA DO 183/121, Summary of meeting in CAO, 8 Oct. 1963.

144. NA PREM 11/5028, ‘Brief for meeting with Mr Emrys-Evans’, 22 June 1964. Snelling felt it would be advisable for the BSAC to adopt a ‘conciliatory attitude’.

146. NA PREM 11/5028, Hone to CRO, 31 August 1964.
147. NA PREM 11/5028, minute for Prime Minister by D.J. Mitchell, 5 Sept. 1964; see also Slinn, ‘Commercial concessions’, 382.

151. NA PREM 11/5028, minute for Prime Minister by Sir Burke Trend, 15 Sept. 1964. Douglas-Home had already been prompted to ask the Treasury about the vulnerability of British firms in Northern Rhodesia to nationalisation: NA T 274/66, John Boyd-Carpenter to Prime Minister, 4 Sept. 1964. The only apparent threat was to the BSAC, considered to be a ‘special case’.
Postscript Northern Rhodesian Copper Mining: The Prospects at Independence

3. NA BT 241/1570, G.W. Brazendale (UK Trade Commissioner, Salisbury) to S.D. Wilks (BoT), 24 August 1963.
4. NA BT 241/1570, D.G.S. Browne (British Trade Commissioner, Salisbury) to A.E. Lewis (Secretary, Ministry of Finance, Lusaka), 25 July 1963.
9. NA DO 183/216, minute by G.W. Jamieson (CAO), 4 June 1964, minute by Sir Arthur Snelling, 5 June 1964 and memo. by J.K.T. Frost (BoT), ‘Copper
producers policy and the United States Anti-Trust Acts’, 4 June 1964. It was with Kaunda’s approval that Prain approached the Board of Trade on this question.

15. Financial Times, 8 June 1964; NA DO 183/216, minute by G.W. Jamieson, 8 June 1964.
18. NA DO 183/475, minute by G.W. Jamieson (CAO), 30 April 1964.
22. RLPP Box 1, Folder 2, Prain to W. Hochschild, 20 July 1964. Discussions with ministers had convinced Prain that the government aspired to the same kind of control over mining enjoyed by the Copper Department in Chile, and that managerial autonomy would be severely restricted.
23. RLPP Box 1, Folder 2, W. Hochschild to Prain, 3 August 1964. Although RST had been criticised in recent years for the generosity of its dividends, Hochschild argued, on the eve of independence, that a ‘modest’ increase in the group’s dividend would have a steadying effect on investor confidence in Zambia: RLPP Box 1, Folder 2, W. Hochschild to Prain, 17 Sept. 1964.
25. NA DO 183/216, note for record by W.B.L. Monson, 17 Dec. 1964. Prain had previously noted rising popular expectations, ‘which could not possibly be satisfied’, but which might tempt the government to intervene more in the affairs and finances of the mining industry: RLPP Box 1, Folder 2, Prain to Walter Hochschild, 20 July 1964.
27. NA DO 183/216, Sir Burke Trend to Sir Saville Garner (CRO), 10 Nov. 1964; CAB 21/5525, Garner to Trend, 20 Nov. 1964.

Conclusion


4. For example, late in 1952, at a time of mounting political and industrial tension in Northern Rhodesia, the Ministry recognised the need for a ‘high-level’ appreciation by the Colonial Office of the territory’s prospects. Privately, it was admitted that not much was expected from this, as the Ministry looked to business for its information: NA T 228/470, J.A.R. Pimlott (MoM) to Muir (T), 29 Nov. 1952.


8. For an earlier instance of government efforts to cultivate informal ties in this way, see J. Drabble, *Malayan Rubber: The Inter-War Years* (London, 1991), 140.


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CAB 65  War Cabinet and Cabinet: Minutes
CAB 66  War Cabinet and Cabinet: Memoranda
CAB 128  Cabinet: Minutes (CM and CC series)
CAB 129  Cabinet: Memoranda (CP and C series)
CAB 21  Cabinet Office: Registered Files
CAB 27  War Cabinet and Cabinet: Miscellaneous Committees: Records (General Series)
CAB 32  Imperial Conferences to 1939
CAB 47  Committee of Imperial Defence: Advisory Committee on Trade Questions in time of war
CAB 72  War Cabinet Committees on Economic Policy
CAB 78  War Cabinet Misc. & General Committees 1941–47
CAB 87  Committees on Reconstruction
CAB 92  War Cabinet: Committees on Supply, Production, Priorities and Manpower
CAB 95  War Cabinet and Cabinet: Committees on the Middle East and Africa: Minutes and Papers
CAB 103  Historical Section: Registered Files
CAB 104  Registered Files, Supplementary 1923–51
CAB 122  British Joint Staff Mission: Washington Office
CAB 124  Ministry of Reconstruction and Lord President’s Council
CAB 127  Private Collections: Files
CAB 130  Cabinet: Miscellaneous Committees: Minutes and Papers
CAB 131  Defence Committee
CAB 132  Lord President of the Council and Sub-Committee 1945–51
CAB 133  Commonwealth and International Conferences
CAB 134  Cabinet: Miscellaneous Committees: Minutes and Papers
CAB 138  British Joint Mission Staff

Prime Minister’s Office

PREM 4  Prime Minister’s Office: Correspondence and Papers, 1934–1946
PREM 8  Prime Minister’s Office: Correspondence and Papers, 1945–1951
PREM 11  Prime Minister’s Office: Correspondence and Papers, 1951–1964
PREM 13  Prime Minister’s Office: Correspondence and Papers, 1964–1970
### Colonial Office

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO 323</td>
<td>Colonies, General: Original Correspondence</td>
</tr>
<tr>
<td>CO 537</td>
<td>Colonial Office and predecessors: Confidential General and Confidential Original Correspondence</td>
</tr>
<tr>
<td>CO 852</td>
<td>Colonial Office: Economic General Department and predecessors: Registered Files</td>
</tr>
<tr>
<td>CO 854</td>
<td>Colonies General Circular Despatches</td>
</tr>
<tr>
<td>CO 967</td>
<td>Colonial Office: Private Office Papers</td>
</tr>
<tr>
<td>CO 927</td>
<td>Research Department: Original Correspondence</td>
</tr>
<tr>
<td>CO 990</td>
<td>Colonial Office: Colonial Economic Advisory Committee: Minutes and Papers</td>
</tr>
<tr>
<td>CO 1002</td>
<td>Colonial Primary Products Committee: Minutes and Papers</td>
</tr>
<tr>
<td>CO 1025</td>
<td>Colonial Office: Finance Department: Registered Files</td>
</tr>
<tr>
<td>CO 1027</td>
<td>Colonial Office: Information Department: Registered Files</td>
</tr>
<tr>
<td>CO 1029</td>
<td>Colonial Office: Production and Marketing Department: Registered Files</td>
</tr>
<tr>
<td>CO 1032</td>
<td>Colonial Office and Commonwealth Office: Defence and General Department: Registered Files</td>
</tr>
<tr>
<td>CO 847</td>
<td>Colonial Office: Africa: Original Correspondence</td>
</tr>
<tr>
<td>CO 879</td>
<td>Confidential Print: Africa</td>
</tr>
<tr>
<td>CO 795</td>
<td>Colonial Office: Northern Rhodesia: Original Correspondence</td>
</tr>
<tr>
<td>CO 796</td>
<td>Colonial Office: Northern Rhodesia: Register of Correspondence</td>
</tr>
<tr>
<td>CO 822</td>
<td>Colonial Office: East Africa: Original Correspondence</td>
</tr>
<tr>
<td>CO 952</td>
<td>Colonial Office: Central Africa: Original Correspondence</td>
</tr>
<tr>
<td>CO 960</td>
<td>Colonial Office: Commission on the Constitution of Rhodesia and Nyasaland, the Monckton Commission, 1960</td>
</tr>
<tr>
<td>CO 1015</td>
<td>Colonial Office: Central Africa &amp; Aden: Original Correspondence</td>
</tr>
<tr>
<td>CO 799</td>
<td>Colonial Office: Northern Rhodesia and Zambia: Sessional Papers</td>
</tr>
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### Dominions Office/Commonwealth Relations Office

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DO 35</td>
<td>Dominions Office and Commonwealth Relations Office: Original Correspondence</td>
</tr>
<tr>
<td>DO 121</td>
<td>Dominions Office and Commonwealth Relations Office: Private Office Papers</td>
</tr>
<tr>
<td>DO 127</td>
<td>Dominions Office and successors: High Commission and Consular Archives, Canada: Registered Files</td>
</tr>
<tr>
<td>DO 154</td>
<td>Dominions Office and successors: Governor, Southern Rhodesia and High Commission, Southern Rhodesia, Correspondence</td>
</tr>
<tr>
<td>DO 158</td>
<td>Commonwealth Relations Office: Central Africa: Registered Files</td>
</tr>
<tr>
<td>DO 162</td>
<td>Commonwealth Relations Office: Commercial Policy: Registered Files</td>
</tr>
<tr>
<td>DO 165</td>
<td>Commonwealth Relations Office: Economic Policy: Registered Files</td>
</tr>
<tr>
<td>DO 166</td>
<td>Commonwealth Relations Office: Africa: Economic: Registered Files</td>
</tr>
<tr>
<td>DO 168</td>
<td>Commonwealth Relations Office: East and General Africa: Registered Files</td>
</tr>
<tr>
<td>DO 181</td>
<td>Commonwealth Relations Office and Commonwealth Office: United Nations Department and successors: Registered Files</td>
</tr>
</tbody>
</table>
DO 183 Central African Office and Commonwealth Relations Office: Central Africa: Registered Files
DO 189 Commonwealth Relations Office and Commonwealth Office: Economic Relations Divisions I and II: Registered Files
DO 215 Commonwealth Relations Office and Commonwealth Office: Economic General Department: Registered Files
DO 222 Imperial Economic Committee and Commonwealth Economic Committee: Records

**Treasury**
T 161 Treasury: Supply Department: Registered Files
T 220 Treasury: Imperial and Foreign Division: Registered Files
T 228 Treasury: Trade and Industry Division: Registered Files
T 236 Treasury: Overseas Finance Division: Registered Files
T 274 United Kingdom Treasury and Supply Delegation, Washington: Records
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FO 371 Foreign Office: Political Departments: General Correspondence
FO 1109 Lord Butler of Saffron Walden: Private Office Papers
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BT 11 Board of Trade and successors: Commercial Relations and Exports Department: Registered Files
BT 28 Ministry of Production: Correspondence and Papers
BT 56 Board of Trade: Office of the Chief Industrial Adviser
BT 60 Board of Trade: Department of Overseas Trade: Correspondence and Papers
BT 131 Ministry of Supply: War Histories (1939–1945): Files
BT 161 Ministry of Materials: Files
BT 172 Ministry of Materials: Private Office Papers
BT 213 Board of Trade: Commodity and General Division and successors: Registered Files
BT 241 Board of Trade: Commercial Relations and Export Division: Registered Files
BT 258 Board of Trade: Industries and Manufactures Department: Registered Files

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SUPP 3 Principal Supply Officers Committee
SUPP 14 Ministry of Supply Files
Export Credit Guarantees Department
ECG 1 Export Guarantees Advisory Council: Minutes and Papers

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Adoula, Cyrille, 389 n93
Advisory Committee on Industrial Development, 173, 175
Africa, British, 32, 54, 60, 74, 78, 104, 132–3, 217
Africa, East, 84, 105, 121, 170, 192, 313 n30, 328 n23
Africa, southern, 4, 15, 16, 43, 187, 198, 244, 245, 272, 305, 311 n7, 313 nn25, 28
Africa, West, 9, 11, 12, 25, 54, 63, 105, 165, 189, 216, 259, 334 n119
Africa Committee (Cabinet), 243, 366 n29
‘Africa: The Next Ten Years’, 248
African advancement, 57, 69, 71, 74–7, 81, 92, 94, 137–45, 165, 189, 208, 209, 224–32, 235, 236–7, 255, 259, 260, 268, 270, 276, 303, 367 n34, 370 n84 see also colour bar
African Governors Conference (1947), 168
African Labour Corps, 68
African National Congress, 238, 383 n21
African nationalism, 10, 11, 206, 242, 244, 245, 256, 260, 264, 265, 266, 270, 271, 272, 304, 383 n21, 384 n24
‘Africanisation’, 12, 280, 294
Afrikaners, 16, 37, 71, 143, 157, 198, 201, 366 n30
Afro-Asian ‘bloc’, 272, 273
agriculture, 14, 23, 31, 44, 46, 71, 119, 122, 153, 189, 236, 252, 254, 293, 367 n34
aircraft industry, 104
Aircraft Production, Ministry of, 61
Alessandri, President Jorge, 278
Alexander, A.V., 110
All-African Peoples’ Conference (Cairo, 1961), 388 n79
Alport, Lord, 382 n100
aluminium, 18, 21, 104, 196, 234, 297, 374 n190
amalgamation (Rhodesias), 37, 39, 40–2, 77, 82–4, 94, 124, 157, 198–9, 201, 203, 205, 206, 207, 276, 335 n141, 369 n67
AMAX, 265–6, 305, 385 n50, 386 n59 see also American Metal Company
American Metal Company, 16, 64, 138, 218, 264–5, 358 n96 see also AMAX
American Smelting and Refining Company, 16–17
Amery, Leopold, 21
Anaconda, 278
Anderson, Sir John, 160
Anglo American Corporation, 11, 15, 267, 307 n3 see also Rhodesian Anglo American
Anglo-Iranian Oil, 197
anthropology, 26, 317 n88
apartheid, 1, 153, 268, 304
Ardennes counter-offensive, 101
Armitage, Sir Robert, 239
Ashanti Goldfields Corporation, 11, 275
Associated Electrical Industries, 267 n43
Atlantic Charter, 90, 157
Attlee, Clement, 9, 127, 130, 163, 168, 170, 200, 217, 347 n140
Australia, 196, 374 n190, 385 n44
Baldwin, Robert E., 45
Baluba, 131, 132, 176, 216
Bamangwato, 385 n44
Bancroft, 117, 198
Banda, Dr Hastings, 239, 240–1, 245, 247, 258, 260
Bandung Conference (1955), 388 n79
Barclays Bank, 220
Barotseland, 35, 201, 245–6
Batista, Fulgencio, 266
Beatty, Sir Alfred Chester, 15, 16, 17, 20, 97, 146, 148–9, 151, 163, 265, 318 n90, 323 n194, 340 n253, 359 n118
Beatty, A. Chester, 218, 249
Beaverbrook, Lord, 242, 332 n92
Bechuanaland, 385 n44
Beira, 121, 349 n245
Belgium, 122, 244
Bennett, O.B., 265
Berger, Elena, 33, 57, 82, 104, 201, 204, 230, 232, 326 n251
Bemba, 44
Benson, Sir Arthur, 210, 220, 221, 222, 223, 229, 230, 238, 256, 377 n35
Berman, Bruce, 7
Bevin, Ernest, 109–10, 120, 341 n31
blackwater fever, 44
Bledisloe Commission, 39–42, 82, 83, 199
Board of Trade, 22, 109, 150, 162, 234, 248, 294, 295, 296, 313 n29
Boothby, Robert, 160
‘boss boys’ committees’, 78, 134, 334 n118
Bottomley, Sir Cecil, 35
Bovenschen, Sir Frederick, 114
Braden Agreement, 278
British government, 6, 9, 16, 17, 20, 33, 35–6, 37, 38, 39, 41, 62, 63, 64, 67, 73, 74, 85, 86, 93, 94, 99, 107, 109, 110, 113, 114, 118, 121, 123, 128, 130, 137, 144, 145, 147, 149, 150, 158, 159, 164, 167, 176, 177, 178, 179, 181, 182, 183, 184, 186, 187, 192, 201, 208, 210, 215, 216, 219, 240, 241, 242, 243, 247, 249, 250, 251, 252, 253, 254, 261, 262, 264, 272, 276, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 295, 300, 305, 331 n77, 338 n219, 357 n76, 358 n96, 361 n151, 384 n54, 386 n57, 387 n73, 389 n95
British Metal Corporation, 62, 328 n14
British Overseas Mining Association, vii, 147, 164, 305
British South Africa Company
Broken Hill, 132–3
bulk-buying, 9, 63, 112–13, 118–19, 131, 137, 145, 200, 209
Bulk Purchases Committee, 112
Burma Corporation, 202
business-state relations see colonial state
Butler, R.A., 197, 246
Buxton Committee, 35
Bwana Mkubwa, 15, 17, 30

Cabinet Committee on Colonial Development, 110
Cain, Peter, 6, 306, 309 n29, 310 n40
Caine, Sydney, 97, 127, 147, 149, 150, 155–6, 167, 174, 175, 178, 334 n112, 347 n144, 355 n53, 360 n138
Campbell, Sir John, 22, 85, 315, 321 n149
Canada, 18, 20, 62, 94, 99, 106, 111, 120, 328 n7, 329 n43, 338 n219
capital goods, 103
Capital Issues Committee, 96, 108
Capricorn Africa Society, 207, 369 n74
Carnegie Corporation, 50, 316 n77
Central African Council, 124–5
Central Economic Planning Staff, 123
Chamberlain, Neville, 160, 202
Chambishi, 117, 293
Chancellor, Sir John, 123
Chandos, Lord, 283 see also Lyttelton, Oliver
Chartered Exploration Ltd, 268
Chibuluma, 17, 117, 131–2, 176, 198, 217, 267
Chile, 15, 18, 19, 111, 119, 122, 214, 222, 233, 264, 277–8, 299, 348 n152, 385 n44, 393 n22
China, 272, 279, 287
chrome, 121, 123, 128
Churchill, Winston, 8, 35, 128, 146, 163, 200
City of London, 16, 62, 204, 207, 216, 221, 251, 286, 310 n40
Clarence-Smith, William Gervase, 25, 45, 317 n88, 323 n190
Clark, J.A., 386 n57
Clauson, Gerard, 148, 149, 156, 161, 169–70, 329 n32, 338 n202, 354 n20, 359 n116
Clay, S.F., 171
cool, 42, 66, 103, 108, 120, 121, 122–5, 126, 159, 164, 179, 192, 199, 205, 218, 219, 226, 229, 341 n19, 344 n105, 345 n111, 346 n133, 361 n151
cobalt, 125, 131, 132, 217
Cohen, Sir Andrew, 24, 40, 83, 95, 114, 158, 178, 182, 183, 185, 186, 189, 191, 201, 317 n79, 325 n220, 338 n219, 367 n34
Cold War, 3, 4, 271, 298, 300, 304, 389 n92
colonial administration, 13, 52, 55
colonial development, 110–11, 119, 131, 153, 154, 157, 158, 159, 162, 163, 164, 166, 178, 192, 215–16, 301, 347 n144, 356 n53, 357 n80
Colonial Development Act (1929), 315 n65
Colonial Development Advisory Committee, 22, 66
Colonial Development Corporation, 168, 192
Colonial Development Fund, 22, 66, 154
Colonial Development Working Party, 110
Colonial Economic Advisory Committee, 138, 158–61, 163, 356 n61
Colonial Office, 8, 11, 13, 22, 23, 24, 25–7, 28, 29, 30, 31, 32, 35–6, 37–8, 39, 40, 41, 42, 45, 46, 49, 52, 53, 54, 55–6, 58, 60, 61, 64, 66, 70–1, 72, 73–4, 75, 76–7,
Colonial Office – continued
colonial state, 1, 3, 6–8, 13, 23–7, 42, 46, 105, 134, 135, 146, 147, 152, 154, 156, 162–3, 188, 191, 211, 237, 262, 298, 300, 301, 303, 305, 306, 307 n3, 355 n52
Colonial Stocks Act, 39
colour bar, 12, 57, 69–78, 82, 83, 85, 92, 135, 136, 137, 138, 140, 141, 144, 199, 205, 224, 225, 226, 228, 231, 331 n77, 333 n109, 365 n8, 389 n96 see also African advancement
Colyton, Lord, 277
Combined Copper Committee, 329 n43
Combined Materials Board, 62
commercial policy, 89
Committee of Imperial Defence, 22
commodity boom, post-war, 106–45
commodity regulation, 9, 86, 90
Commonwealth, 111, 124, 128, 194, 212, 218, 250, 251, 264, 288, 295
Commonwealth Development Finance Corporation, 219, 220
Commonwealth Finance Ministers’ Conference, 130
Commonwealth Relations Office, 260, 264, 296
Commonwealth Trade and Economic Conference (Montreal, 1958), 295
compensation, 10, 31, 163, 179, 180, 184, 214, 271, 275, 278, 279, 286–7, 288–91, 298, 300, 319
see also expropriation, nationalisation
compulsory arbitration, 77, 136
Comrie, William, 135
Confederate Party, 370 n84
Consolidated African Selection Trust, 11, 206, 266
convertibility crisis, 108–12, 168, 173
Cooper, Frederick, 7, 52, 133, 134, 135, 335 n126
copper
refining, 21, 22, 66, 108, 117, 195, 277, 375 n17
Copper Exporters Inc, 19
Copper Ventures, 26  
cost of living, 69, 70, 72  
cotton, 23, 102  
Council on Foreign Relations, 256  
Coyne Report, 219  
Cranborne, Lord, 61, 83, 84, 149 see also Salisbury, Lord  
Crawford, Sir Frederick, 271  
Cripps, Sir Stafford, 110, 170, 185  
Cuba, 266  
Cunningham, Simon, 216, 226, 235, 307 n4  
Cyprus, 239  
Dalgleish, Andrew, 138–9  
Dalgleish Report, 139, 140, 141, 143, 225, 227, 228, 332 n82  
Dalton, Hugh, 168, 341 n31  
Davis, Edmund, 15  
Davis, J. Merle, 24, 49–50, 316 n77  
Dawe, Sir Arthur, 333 n109  
De Beers, 82, 269, 284, 296  
decolonisation, 5, 9–11, 24, 238, 240, 241, 243, 244, 255–74, 300, 303, 304, 306, 310 n40, 357 n76, 387 n73  
Defence Materials Procurement Agency, 131  
demobilisation, 91  
Depression, 3, 18–23, 28, 29, 33, 45, 46, 48, 49, 51, 53, 54, 57, 70, 160, 314 n43, 332 n83  
‘detribalization’, 47, 48, 51, 52–3, 79, 324 n204  
devaluation, 107, 115–19, 172, 188, 342 n62, 343 n79  
Devlin Report, 239, 241  
Devonshire Agreement (1923), 35, 36  
diamonds, 61  
Dilhorne, Lord, 288–9  
dollar area, 108, 110, 111, 340 n7  
Dominion Party, 245, 260  
Douglas-Home, Sir Alec see Home, Lord  
drought, 23, 49  
Dual Mandate, 25, 111, 112, 317 n88  
‘dual economy’ model, 2  
Dugdale, John, 189  
Duignan, P., 209  
Durrant, A.W., 346 n126  
East African Groundnuts Scheme, 170, 192  
Economic Co-operation  
Administration, 128, 131, 132  
economic nationalism, 11  
Economic Policy Committee (Cabinet), 121, 345  
education, 6, 50, 80, 137, 165, 200, 210, 211, 223, 239, 253, 305, 325 n220, 373 n169, 382 n109  
Ehrlich, C., 7  
Eisenhower, President Dwight, 217, 233  
elections, general  
Britain (1945), 163  
Britain (1950), 189, 358 n96  
Britain (1951), 192, 200, 361 n146  
Britain (1959), 239  
Britain (1964), 290  
Central African Federation (1953), 208, 370 n84  
Central African Federation (1958), 376 n6  
Northern Rhodesia (1962), 245, 247, 263, 266, 269, 270, 283, 391 n131  
Northern Rhodesia (1964), 285  
Nyasaland (1961), 241  
Nyasaland (1963), 241  
South Africa (1948), 157, 198, 206  
Southern Rhodesia (1958), 255  
Southern Rhodesia (1962), 244, 247  
electrical engineering, 3, 14, 21, 61, 106  
Emergency Powers (Defence) Act, 60  
Emergency Powers Regulations, 76, 93, 101  
emigration, 46, 77, 82, 143, 331 n77, 369 n74  
Empire Mining and Metallurgical Congress (1930), 311 n6, 313 n28  
Emrys-Evans, Paul, 260, 290  
energy, 120, 125, 128, 195, 204, 205, 207, 218, 219, 247, 275, 346 n133  
Enugu Colliery, 364 n214  
Essential Works Order, 88  
Europe, 86, 91, 92, 94, 99, 106, 116  
European Economic Community, 247
expatriate business, 1, 2, 4, 5, 6, 8, 10–12, 14, 25, 42, 105, 150, 266, 274, 303–4, 308 n16
Export Credit Guarantee Department, 250–1, 381 nn99, 101
Export-Import Bank, 125, 216
expropriation, 177, 197, 226, 279, 286, 290, 291, 298, 364 n209
see also compensation, nationalisation
Fabian Colonial Bureau, 71, 111, 140, 154, 155, 157, 199
Faringdon, Lord, 155, 355 n51
Federation of British Industries, 289
Federation of Rhodesia and Nyasaland see Central African Federation
Ferguson, James, 48
Field, Winston, 244–5, 386 n57
Fieldhouse, D.K., 394 n6
firewood, 121, 218
First World War, 8, 16, 21, 43, 62, 63, 265
food, 4, 44, 46, 52, 60, 61, 68, 70, 110, 120
Food, Ministry of, 109
Foreign Office, 127, 264, 272
Forster, Sir John, 71, 227–8
Forster Commission, 72, 74, 76, 78, 88, 92, 138, 227, 228, 327 n266, 334 n118
France, 240
Frankel, S.H., 1, 384 n36
Fraser, Hugh, 381 n100
freight costs, 113, 116–17, 120, 195, 211–12
Gann, L.H., 209, 211
gas industry, 164
Gaitskell, Hugh, 361 n148
Gater, Sir George, 178
Geddes, Sir Auckland (Lord), 17, 20, 49, 76, 85, 90, 147, 149–51, 202, 354 n20
General Mining (South Africa), 264
‘gentlemanly capitalism’, 6, 8, 303, 309, 317
gold, 43, 132, 153, 157
Gold Coast, 11, 24, 61, 69, 132, 204, 206, 208, 238, 239, 266, 274, 303, 308, 316, 348 n161, 349 n187, 370 n74
Gold Standard, 29
Goodwin, Brian, 135, 139
Gore-Browne, Stuart, 37, 154, 320 n143
Gorell Barnes, William, 358–9 n100
Griffin, Sir Arthur, 128, 346 n133
Griffiths, James, 141, 191, 207
Guillebaud award, 145, 224, 227, 229
Gupta, Partha Sarathi, 201
Hadow Report, 294
Hailey, Lord, 39, 82, 84, 152–3, 322 n165, 335 n141, 359 n116
Hall, George, 179, 331 n77, 333 nn94, 96, 100
Hargreaves, John, 45
Harlech, Lord, 82, 206
Havana Charter, 295
Heath, Edward, 295
Henderson, Sir Hubert, 159
Henderson, Ian, 137, 330 n195, 357 n76
Hilton-Young Commission, 313 n30
Hinden, Dr Rita, 71, 111, 154, 155, 156–7, 163, 166–7, 168, 331 n78, 355 n44
Hochschild, Walter, 226, 255, 265, 266, 292, 297, 304–5, 383 n4, 393 n23
Hola Camp, 240
Home, Lord (Sir Alec Douglas-Home), 238, 239, 243, 245, 261, 262, 277, 286, 289, 290, 383 n10, 385 n44, 391 n151
Hone, Sir Evelyn, 249, 253, 258, 260, 269, 273, 280, 281, 282, 283, 284, 286, 290, 297, 380 n83
Hoover, Herbert, 265
hospitals, 44
Huggins, Sir Godfrey 41, 83, 143, 144, 199, 205, 208, 219, 224, 232, 255, 335 n141, 367 n30, 369 n74, 370 n78 see also Malvern, Lord
Hughes, Cledwyn, 291
Hwange see Wankie
Hyam, Ronald, 201, 367 n45
hydro-electricity, 120, 122, 125, 126, 210, 218
Imperial Economic Conference (1932), 20–1
Imperial Institute, 316 n78
India, 12, 264
Indirect Rule, 23, 48, 49, 81
Industrial Development Corporation (South Africa), 354 n35
Inland Revenue, Board of, 180, 360 n138, 361 n146
Institute of African Languages and Cultures, 53
Interdepartmental Commodity Policy Group, 102
International Bank for Reconstruction and Development, 127, 212, 220, 388 n85
International Labour Conference (Philadelphia, 1944), 350 n209
International Labour Organisation, 55, 133
International Materials Conference, 129
International Missionary Council, 316 n77
International Trade Organisation, 172
Inter-territorial Commission, 84, 126
Iran, 10, 197
Japan, 61, 86, 251, 252
Jehovah’s Witnesses, 52
Joint East and Central Africa Board, 277
Jones, Arthur Creech, 75, 109, 110, 111, 128, 140, 141, 154, 155, 163, 166, 167, 168, 169, 178, 180, 183, 185, 186, 197, 199, 325 n220, 331 n77, 345 n110, 347 n140
justice, 48, 143, 181
Kafue River, 15, 39, 125, 126, 219–20
Kariba, 125, 126, 213, 219–21, 222, 224, 275
Katanga, 14, 15, 43, 45, 46, 47, 49, 51, 57, 75, 82, 125, 132, 137, 138, 152, 226, 244, 264, 351 n212, 388 n85, 389 n93
‘Katanga lobby’, 244, 246
Katilungu, Lawrence, 58, 135
Kennecott, 278
Kennedy, Robert, 217
Kenya, 132, 142, 191, 240, 242, 251, 253, 313 n30
Keynes, Lord, 98
Khruschev, Nikita, 388 n79
Kitwe, 72, 146
Korean War, 3, 107, 115, 129, 130, 131, 192, 194, 217
Labour, Ministry of, 56, 134–5
Labour Party, 9, 155, 163, 239, 240, 364 n229
Latin America, 129
League of Coloured Peoples, 331 n76
Le Marinel, 125
Lend-Lease, 66, 318 n20
Lennox-Boyd, Alan, 221, 223, 231, 248, 357 n84, 383 n21, 384 n24
Lewanika Concession, 35, 39, 41, 287
Lewis, W. Arthur, 2, 155, 158, 305, 357 n80, 358 n98
Liberal Party, 247, 284
line of rail, 46, 70, 201, 221
Lloyd, Sir Thomas, 190
locusts, 49
Lonsdale, John, 7
Lualuba River, 125–6
Lubumbashi, 333 n104
Lugard, Lord, 25, 317 n88
Lumumba, Patrice, 244
Luyt, R.E., 269–70
Lyttelton, Oliver, 63, 68, 103, 112, 113, 115, 118, 119, 192, 195, 209, 214, 215, 222, 228, 234, 262, 284, 296, 297
Mexico, 42
mineral royalties, 36, 40, 51, 152, 173, 177–88
mining companies
‘community of interest’ with host countries, 10, 197
dividends, 23, 34, 117, 119, 128, 151, 154, 155, 174, 211, 222, 235, 279, 297, 298, 343 n79, 347 n138, 393 n23
domicile, 12, 13, 27, 32, 72, 150, 174, 177, 202, 203, 204, 209, 210, 211, 368 n47, 369 n62, 386 n59
profits, 3, 5, 17, 23, 32, 34, 45, 64, 66, 70, 97, 107, 117, 119, 125, 127, 128, 130, 144, 145, 148,

Mining Ordinance
draft, 30–1
(1958), 271, 287, 387 n74

Mining Proclamation (1912), 30–1

Mining Taxation Committee, 147

missionaries, 58

Mitchell, J. Clyde, 134

Mitchell, Sir Philip, 191

Modern Industry and the African, 24, 49
modernisation, 1, 2, 5, 7, 10, 13, 25, 120, 121, 162, 301, 302

Moffat, Sir John, 247

molybdenum, 226, 265

Monckton Commission, 240–1, 243, 249, 252, 253, 260, 262–3, 267

Montalva, Eduardo Frei, 278

Montgomery, Field Marshal Viscount, 111

Moody, Harold, 331 n76

Morison Commission, 377 n25

Moss, Prof K. Neville, 313 n28

Mozambique, 126


Multilateral Convention for the Protection of Foreign Investment, 279

multiracialism, 200, 225, 245, 268
see also partnership

Murphy, Philip, 209

Murphy, Sir William, 255

Musumbulwa, G.M., 382 n109

Mwase Lundazi, 258

nationalism see African nationalism

nationalisation, 9–10, 42, 75, 155, 157, 164, 166–8, 180, 188, 189–90, 191, 251, 274, 275, 276, 278, 279, 280, 289, 297, 298, 300, 304, 344 n100, 345 n109, 355 n37, 358 n96, 364 nn209, 229, 389 n93, 391 n151 see also compensation, expropriation

Native Authorities 23, 283

Native Labour Advisory Board, 54

Native Reserves, 46

‘native treasuries’, 48

Nchanga, 15, 16, 17, 19, 20, 66–7, 76, 91, 100–1, 108, 117, 316 n71

Ndola, 27, 195–6, 296, 297, 376 n17

‘neo-colonialism’, 5, 272, 277, 308 n25, 388 n79

New York Stock Exchange, 218

Nicholson, R.A., 219


Nkana, 15, 17, 19, 34, 66, 70, 72, 80, 117, 138, 148

Nkrumah, Kwame, 275, 388 n79, 389 n95

Nkumbula, Harry, 238, 246, 257, 261, 270, 273, 380 n83

non-ferrous metals, 62, 112, 114, 115, 118, 128, 176, 192, 214, 328 n14

North Atlantic Treaty Organisation, 129

Northern Rhodesian Chamber of Mines (NORCOM), 78, 80, 99, 138, 140, 146, 147, 207, 226, 230, 231, 272, 305, 350 n193

Northern Rhodesian government, 6, 22, 24, 26, 28, 29, 30, 32–3, 36, 40, 42, 45, 53, 54–5, 57, 64, 67, 69–70, 72, 74, 75, 77, 78, 79–80, 81, 82, 84, 85, 86, 88, 89, 90–1, 92, 94, 95, 99, 100, 101, 102, 114, 115, 116, 120, 124, 133, 137, 139, 141–2, 143, 144, 146, 147, 148, 150, 157, 158, 160, 164, 169–70, 171, 172–3, 174, 175, 176, 177, 178, 179, 180, 181–3, 184, 185, 186–7, 188, 189, 191, 196, 197, 198, 199, 200, 203, 204, 209,
Northern Rhodesian government – continued
Northern Rhodesian Legislative Council, 84, 105, 117, 187, 202, 203, 386 n54
Northern Rhodesian Mine Workers Union see Mine Workers Union
Northern Rhodesian Regiment, 52
Nyasaland, 10, 27, 68, 82, 145, 171, 201–2, 215, 221, 222, 223, 238–42, 245, 247, 248, 253, 257, 258, 261, 265 n165
Nyasaland African Congress, 239
Nyerere, Julius, 273
‘official mind’, 6, 192, 309 n29
oil, 10, 42, 197
‘Operation Sunrise’, 239
Oppenheimer, Sir Ernest, 15, 16, 17, 26, 38, 74, 80, 82–3, 144, 198, 206, 209, 212, 217, 223, 229, 312 nn16, 17, 25, 313 n25, 318 n99, 370 n90
Oppenheimer, Harry, 11, 268–9, 270, 276, 285, 296, 305, 386 n59, 387 nn60, 66
Orde Browne, Granville St J., 25, 45, 52, 53, 55, 56, 58, 78, 135, 325 n220, 327 n254, 334 n119
Organisation for Economic Co-operation and Development, 279
Ormsby-Gore, William, 36, 38, 39, 55, 56, 58, 313 n30, 318 n98, 321 nn150, 155, 327 nn254, 255
Ostrander, F. Taylor, 386 n59
Ottawa agreements see Imperial Economic Conference
Overseas Trading Corporations, 218
Paley Commission, 129–30 partnership, 10, 84, 193, 201, 208, 210, 231, 238, 239, 256, 260, 265, 267, 386 n57 see also multiracialism
Passfield, Lord, 37, 53, 58, 324 n207
Pearl Harbor, 62
Perham, Margery, 74, 79, 154, 333 n99
Permanent Sovereignty of Natural Resources, 278
Peron, President (Colonel) Juan, 179
Perrings, Charles, 45, 50
Phillips, Anne, 25
Phillips, John, vi, 104, 147, 148, 204, 207
Pim, Sir Alan, 24, 33–4, 36, 40, 53, 154, 155, 320 n139, 325 n220
Plowden, Sir Edwin, 123
Pollak, Major Leslie, 318 n99
Production, Ministry of, 85, 93, 162 productivity, 2, 45, 173, 232, 236, 323 n190
Progressive Party, 268
proletarianization, 1, 5, 133, 227
public health, 44
public relations, 12, 211, 253, 271
Railway Workers’ Union, 229
Rand Strike (1922), 57, 74
Randall Commission, 217
Raw Materials Committee (Cabinet), 128
rearmament, 3, 21, 36, 61, 107, 117, 119, 124, 194, 346 n129
Rees-Williams, David, 184
Rennie, Sir Gilbert, 115, 124, 136, 140, 141, 176, 181, 184, 185, 186, 190, 191, 197
Rhodes-Livingstone Institute, 26
Rhodesia-Congo Border Power Corporation, 132
Rhodesia Copper Refineries Ltd, 108
Rhodesia Railways, 120, 121, 122, 123, 126, 128, 132, 151, 168, 204, 205, 212, 235, 344 n100, 346 n133
Rhodesia Railways Higher Authority, 121, 122
Rhodesian Front, 244
Rhodesian Native Labour Bureau, 44
Rhodesian Native Labour Supply Commission, 124
Rhokana Corporation, 17, 21, 22, 23, 26, 30, 33, 49, 66, 76, 93, 105, 108, 117, 132, 149, 198, 237, 265, 315 n64, 318 n99, 346 n126
Rio Tinto, vii, 17, 76, 354 n20
Roan Antelope, 15, 16, 17, 19, 21, 23, 33, 34, 52, 58, 65, 67, 89, 93, 96, 97, 98, 100, 102, 104, 117, 119, 147, 148, 195, 206, 207, 214, 267, 276, 314 nn42, 43, 331 n71, 339 n245, 343 n76, 376 n17, 389 n96
Roberts, Andrew, 32, 50, 137, 209, 226, 374 n190, 377 n19
Robins, Lord, 281, 282, 284, 292, 387 n72
‘romantic anti-capitalism’, 8, 25, 190, 306
Roosevelt, Franklin D., 62
Rowland, ‘Tiny’, 282
Russell, Martin, 283, 284, 289
Russell Commission, 327 n266
Saffery Report, 80, 81
Salisbury, Lord, 242, 353 n247, 387 n73 see also Cranborne, Lord
Sandys, Duncan, 119, 251, 277
Schroeder Wagg Company, 388
scientific management, 134
Selection Trust, 17, 64–5, 218, 249, 266, 359 n119
Sengier, Edgar, 351 n212
settlers, 10, 36, 37, 41, 46, 83, 105, 157, 198, 200–1, 225, 239–40, 244, 245, 319 n118, 371 n90

‘settler-mining’ model, 2

Shawcross, Hartley, 184

Shiels, Drummond, 56

Shop Assistants’ Union, 135

Sierra Leone, 341 n31

silicosis, 70

Sipalo, Munukayumbwa, 260, 279, 287

Slinn, Peter, 36, 187, 321 n155

Smuts, Jan, 37, 82

Snelling, Sir Arthur, 286, 290, 296, 391 n144

Société Générale des Forces Hydro-Electriques du Katanga, 125

Soskice, Frank, 184


Southern African Labour Conference (1943), 355 n37

Southern Rhodesian Armoured Car Regiment, 76

Soviet Union, 213, 217, 218, 279, 287, 388 n79

Spain, 17

Spanish Civil War, 354 n20

Spears, Sir Edward, 11

Standard Bank of South Africa, 220, 381 n99

Stanley, Sir Herbert, 46, 324 n204

Stanley, Oliver, 76, 83, 84, 85, 92, 97, 99, 101, 156, 159, 160, 178, 356 nn70, 71

state of emergency, 231–2, 239–40, 256, 257

steel, 120, 121, 168, 345 n106

Sterling Area, 10, 16, 109, 111, 114, 115, 116, 117, 118, 127, 128, 130, 131, 173, 217, 300

Stevens, Sir Roger, 254, 388 n85

Stevenson Plan, 9

stockpiling, 130, 131, 132, 173, 194, 198, 217, 348 n160

Stockwell, Sarah, vi, 274, 275, 349 n187, 389 n92

Stooke, Beresford, 93

Storke, A.D., 65, 330 n51

Storr, Sir Ronald, 49

substitution, 104, 107, 213, 214, 234, 327 n264

Suez Canal Company, 10


Swinton, Lord, 207–8, 352 n247

Tanganyika, 23, 132, 247, 273, 313 n30

taxation

Company Tax, 171, 177, 188, 273
depreciation allowances, 29, 127, 128, 151, 170, 188
double taxation, 32, 34, 127, 128, 150, 155, 159, 173, 180, 188
Excess Profits Tax, 96, 148–9, 151, 170, 172, 177, 221, 331 n71
export tax, 28–9, 151, 166, 170, 171, 172, 174, 176, 182, 184, 221–2, 223, 301, 318 n98
hut tax, 43
income tax, 28–9, 32–3, 36, 40, 96, 148, 150, 151, 153, 154, 170–2, 174, 177, 180, 188, 191, 211, 331 n71
‘liberal’ tax code (1952), 198
National Defence Contribution, 202
Royal Commission, 170

Thomas, J.H., 52

tin, 18, 28, 31, 61, 68, 322 n181
tobacco, 46, 248
Todd, Sir Garfield, 238, 255

trade unionism, 54, 55–6, 58, 134–5, 232, 238

transport, 4, 14, 21, 26, 43, 44, 65, 119–21, 122, 123, 124, 126, 132, 191, 199, 202, 204–5, 211, 212, 219, 235, 247, 346 n129

Transport and General Workers’ Union, 135

Transvaal, 44


Treasury Solicitor, 35

Trend, Sir Burke, 279, 287–8, 291

‘tribal elders’, 58, 59

Trinidad, 56

Truman, Harry S., 129, 130

trusteeship, 23, 24

Tshombe, Moïse, 244, 264, 389 n93

under-development, 5

Unilever, 388 n81

Union Minière du Haut Katanga, 51, 125, 164, 234, 273, 389 n93

United Africa Company, 12, 150, 353 n3, 362 n169

United Central Africa Association, 207–8

United Federal Party, 208, 225, 238, 253, 255, 257, 258, 261, 268, 270, 284, 371 n85

United Missions in the Copperbelt, 58


United Nations, 177, 264, 272, 278

Committee of 17, 246

Committee of 24, 276

United Party, 83

United Rhodesia Party, 255


Unsworth Conference, 140

urbanisation, 26, 48, 79

Victoria Falls conference (1963), 185, 247

Vietnam War, 3

Viner, Jacob, 9

Volta River project, 275

Waddington, Sir John, 75, 77, 78, 86, 94, 98, 99, 100, 138, 180

Wankie, 103, 108, 120, 122, 123–5, 126, 204, 205, 218, 235, 344 n105, 345 n111, 346 n133

War Office, 76, 114, 343 n78

Weber, Max, 3


Westcott, Nicholas, 105, 192

White, Nicholas, vi, 8, 302, 306, 309


Whitehead, Sir Edgar, 243–4, 246, 277

Wightwick, Humphrey, 260

Williams, Emrys, 260

Wilson, Godfrey, 79, 335 n126

Wina, Arthur, 285, 287, 288, 294, 296, 298

Wina, Sokota, 279
‘wind of change’, 10, 238, 240, 256, 258, 261
Wood, J.R.T., 225
World Bank, 219, 220, 251, 282, 285
Young, Sir Hubert, 33, 37–9, 40, 41, 49, 52, 54–5, 319 n118, 321 n149

Zambezi, 1, 75, 82, 125, 220, 380 n82
Zambia African National Congress, 238, 260
Zanzibar, 132
Zinkin, Maurice, 388 n81