

# TOWARD FREEDOM

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## 'THE TEAM' RULES MINING IN SOUTHERN AFRICA

*(Charts of the Interlocking Directorates of the Cape-to-Katanga Miners on Pages 2-3)*

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A year has passed since the Prime Minister of Great Britain recognized the "wind of change" sweeping southward, and since the American Assistant Secretary of State for African Affairs recognized the inevitability of "Africa for Africans." An olympian struggle is developing in Africa south of the equator. To appreciate the full significance of this "game" we need a full listing of participants.

Much has been written of the political personalities involved, African, European, and European-African, but little has been said of the mining corporations operating in the Union of South Africa, Southern Rhodesia, Northern Rhodesia, Nyasaland, Tanganyika, Mozambique, South West Africa, Angola, and Katanga. It is this cluster to which we refer as the "Cape-to-Katanga Miners."

The "Miners" is essentially a network of over a hundred corporations, with one of the best, most experienced, coaching staffs in the world, controlling assets amounting to well over 5 billion dollars. Because this team has been gathered quietly, most spectators are quite unaware that they constitute an integrated group.

### Amicable "Competition"

Chart I, below, gives only a rough idea of their integration. De Beers Consolidated Mines, Anglo American Corporation of South Africa, British South Africa Company, American Metal Climax Corporation, Société Générale de Belgique, and Union Minière are by no means struggling against one another in a free enterprise system. Among themselves, they play according to rules that guarantee points for each and preclude injury to any. The details of all these arrangements cannot be adequately summarized in any brief fashion. A financial analyst for Fortune Magazine, explaining why he could not present a complete chart of the holdings of Harry Oppenheimer alone, commented, "It ends up looking like an eccentric string collector's closet." We shall have to be satisfied, here, with examples illustrating the types of connections which bind one "miner" to another.

The vertical columns of Chart II list the directors of thirteen major companies operating in the area. The horizontal lines cutting across the columns indicate points of overlap among these boards. That all are connected by interlocking directorates is thus quickly observable. A single company, or a minority combination of companies, that tried to steal a march on the others would be hard put to find the means. If there is anything comparable to a minority member in this sort of arrangement, he would be a lonely maverick indeed were he to entertain thoughts of staging unauthorized events.

It is quite unnecessary to compare the lists of directors of all the companies participating in the Cape-to-Katanga team, for the pattern established at the hub continues. All others are in one or more ways dependent on the companies listed. De Beers, for example, controls at least 20 companies and has interest in many more. Anglo American Corporation of South Africa has many companies under its control aside from those

on our chart. British South Africa Company, through its holding the rights to mineral exploitation of vast areas of this part of the continent and through its heavy investments in holding companies, has a significant voice on the team. American Metal Climax Corporation, primarily through its subsidiary Rhodesian Selection Trust, controls some very important mining operations in the area.

### Scores Of Additional Companies Involved

Tanganyika Concessions, aside from its not insignificant holdings, serves important communication functions, financially by connecting the Belgian sub-group with the Anglo-American sub-groups and physically by controlling the most efficient rail route out to the Atlantic. Tanganyika Concessions shares with the Société Générale de Belgique control of Union Minière, which has in its aegis a goodly cluster of subsidiaries. And the Société Générale de Belgique has its own cadre of important companies, largely in the Congo, but with some crucial connections to America, especially in the Belgian-American Banking Corporation, the Belgian-American Bank and Trust Company, and the Belgo-American Development Corporation. I would like to list here all of these subsidiaries and companies under financial control; but space does not permit. The interested reader is referred to: Mining Yearbook, compiled annually by W. E. Skinner; Moody's Banking and Finance Manual and Industrial Manual; and Standard and Poor's Register. Not all the facts are found in any one location. My own research has netted some details on over ninety companies, and I have found few whose intimate connection with the team is not obvious.

Aside from interlocking directorates and the pattern of subsidiaries, controlling interests, and substantial interests, integration among these companies is also fostered by formal agreements, with each other and with governments. For the most part, rights to exploit all minerals are already held by the major companies, so that any new company must seek permission not from a government but from the team. The diamond industry is protected even more than the rest by a series of agreements such that all producers in this area sell only through the Diamond Corporation and the Diamond Trading Company, under the watchful management of De Beers Consolidated Mines. Even if some diamond-mining company were free from financial control of the team it would still have to play according to the rules or get out. This arrangement reduces the effectiveness of "reforms" such as the recent action by Tanganyika's government removing from Williamson Diamond (De Beers) the exclusive right to all diamond exploitation in Tanganyika. By agreement with the Portuguese government, all diamonds in Angola are granted to the Companhia de Diamantes de Angola, on whose board sit Harry Oppenheimer (Anglo-American, etc.) and H. J. Joel (De Beers, etc.) and Baron Pierre Bonvoisin (Société Générale de Belgique, etc.).

Agreements of other kinds knit the various segments of the Cape-to-Katanga Miners. A unit called Rhodesia Congo Border Power Company, apparently a Rhokana subsidiary, is the beneficiary of a \$22,000,000 loan from the U.S. Government.

Repayment of the loan is guaranteed not only by Rhokana (Anglo-American-De Beers) but also by Roan Antelope Copper Mines, a subsidiary of Rhodesian Selection Trust (American Metal Climax). Such guarantees imply joint control over the power generated.

### Control Of Transport

Another important area of control is the transportation system. The Société Générale de Belgique controls, through Beceka, the railroads in Katanga and Kasai which are important links to the Atlantic and to the Indian Ocean from the mineral-rich control area. From the Rhodesian Copperbelt the most efficient route lies over the Rhodesian Railway, onto the Bécéka line through Elisabethville to the Angola Border, then over the Benguela line through Angola to the Atlantic port of Lobito. Fortunately for the team, all these are under compatible management, so that questions concerning routes, rates, and rights may be settled in a gentlemanly manner. It is worth noting that nationalization of the Rhodesian Railway in 1946 was no affront to the team. Through this means rates could be kept low while the expenses of maintenance and modernization fell to the public budget. When the Rhodesian government then needed money for the Railway, the American government assisted with a \$40,000,000 loan. The British South Africa Company, holding the bonds of the Railway, has lost not a farthing on the affair.

Their systematic organization permits the Cape-to-Katanga Miners to turn every financial transaction to their own advantage. Aside from the loans already mentioned, the American Export-Import Bank has loaned more than \$100,000,000 to gold-mining companies in the Union of South Africa, at the amazingly low rate of 4%. Some of these loans appear-bizarre:

a 13-million dollar loan to Randfontein Estates, listed in the Mining Yearbook as having a capital investment of only 4 million pounds; loans of millions of dollars to subsidiaries of Anglo American Corporation of South Africa, which then uses its own funds to get higher interest rates; or, the loan made to Buffelsfontein Mines at the rate of 4% even while Buffelsfontein has to borrow from "team-mate" Anglo American at 6 1/2%. One may justifiably ask whether it is the purpose of the American Export-Import Bank, a federal agency, to help finance one of the largest financial empires in the world.

To speak, as we did in the opening paragraph, of the struggle in Africa south of the equator as a "game" may be too facetious for such a serious matter. If the "wind of change" sweeps southward and even this part of Africa is to be "for Africans," can the Cape-to-Katanga Miners, who are really not very African in their orientation, adjust to the new condition? They could, of course, try to put "friendly" Africans in governmental roles, but experience in Katanga suggests this approach is inconclusive. Should they try to maintain the old conditions by all-out support of continued European political domination, the consequences for the whole western world might be dire. Much depends, in Africa south of the equator, on what the Cape to Katanga Miners do. In the light of their connections with American private and public institutions, a reasonable question to ask is whether the Government of the United States should not exercise its power to ensure that they behave responsibly.

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## SYSTEM OF INTERLOCKING DIRECTORATES IN THE MINER

Societe Generale de Belgique	Union Miniere du Haut Katanga	TANGANYIKA Concessions	British South Africa Company	Anglo-American Corp. of S. A.	De Beers Cons. Mines
Gillet	Gillet	Oppenheimer, H.	Oppenheimer, H.	Oppenheimer, H.	Oppenheimer, H.
Van der Straeten	Van der Straeten	Van der Straeten	Wilson, A.	Wilson, A.	Wilson, A.
Devillez	Devillez	Robins	Robins	Robins	Robins
Bonvoisin	Selborne	Selborne	Annan	Clark	Clark
Robiliart	Robiliart	Robiliart	Emrys-Evans	Emrys-Evans	Joel
Dubois-Pelerin	Guillaume	Guillaume	M. of Salisbury	Hagart	Hagart
de Spirlet	de Spirlet	de Spirlet	Wilson, W.	Wilson, W.	
Marthoz	Marthoz	Hudson	Berry	Oppenheimer, P.	Oppenheimer, P.
De Merre	Hutchison	Hutchison	Grenfell	Albu	Compton
Wallef	Wallef	Strachan	Malvern	Coulter	Rudd
Smits	Blaise	Cochran	Kiek	Beckingham	
Nokin	Terwagne	Dickinson	Hambro	Smith	Forsyth
Lambert	Alexander	Alexander	Robson	Koch	McHardy
Renders	Sengier	Pinto Basto	Hawksley	Harrison	Leeper
	Cousin	Turner		Baring	de Villiers
	Gorlia	Waterhouse			Crokaert
	Paulus				Rothschild

## Push Algerian Peace Moves

The King of Morocco appeared to be taking a central role in negotiations for peace in Algeria during early January. This new element in the troubled North African situation stemmed from a successful mediation by the King last month.

Five leaders of the Algerian rebels who had been kidnapped by the French on a peace mission in 1955 ended their hunger strike after a special mission from King Hassan persuaded De Gaulle to grant them limited freedom of communication from their place of detention and to treat other imprisoned Algerians as political rather than ordinary prisoners.

Following this success, important secret French-Algerian talks were held in Rome, and leaders of the Provisional Government in Tunis were in constant contact with Rabat, Morocco's capital. In the first days of January the entire Algerian high command for the first time met there.

Meanwhile the Provisional Government treated its success in the UN General Assembly as a prelude to the long-sought

peace, in the following official statement:

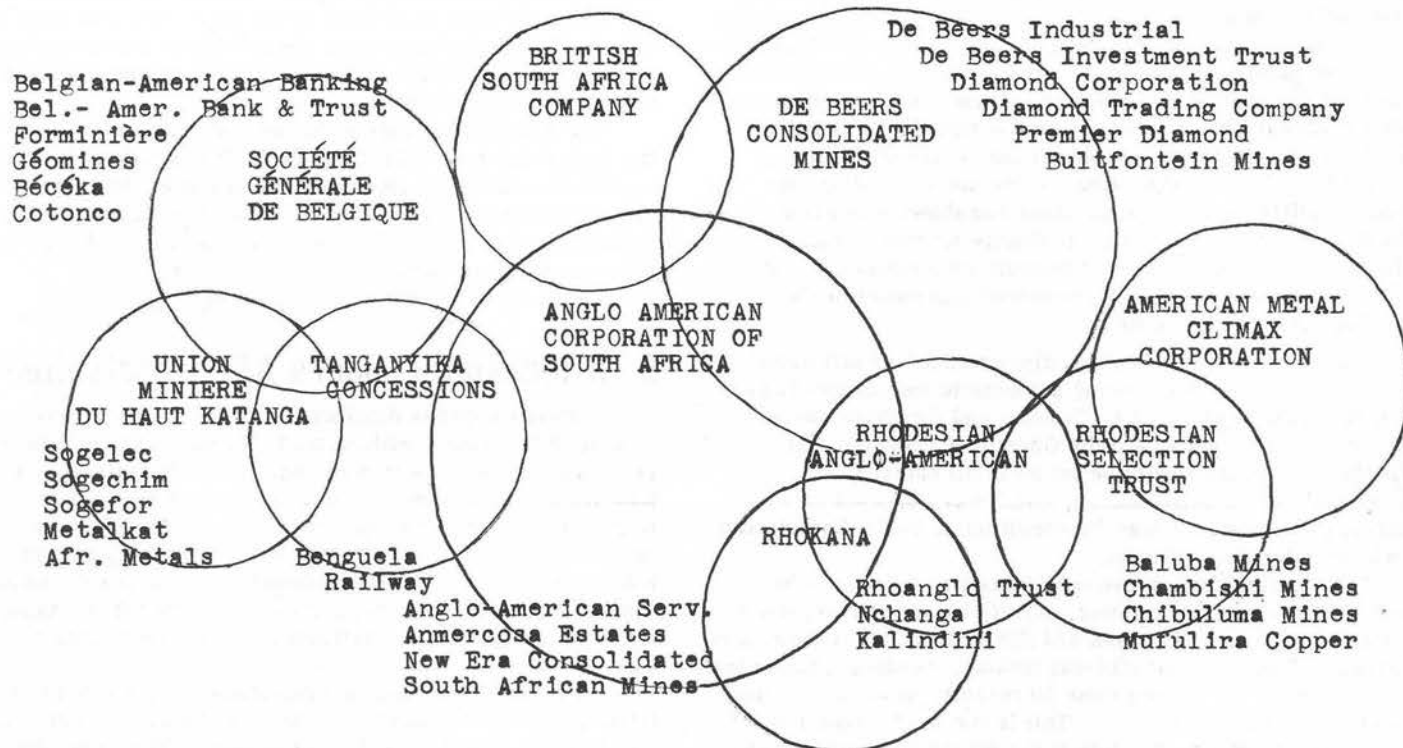
"The General Assembly of the United Nations has just adopted a resolution which constitutes an important contribution to the cause of peace in Algeria by means of direct negotiation between the French Government on the one hand, and the Provisional Government of the Algerian Republic on the other. We are certain that our satisfaction with the result we have obtained at the sixteenth session of the General Assembly is shared by all those in France who wish to see serious and loyal negotiations lead to the rapid achievement of Algerian independence, independence which elicits necessary cooperation between the French and Algerian people.

"The tenor of the debate in the Political Committee, as well as the result of the vote express the universal desire to see the Algerian problem resolved on the basis of the integrity of our territory.

"It is significant that no Delegation could be found to vote against the Afro-Asian draft resolution.



**A VIEW OF THE INTEGRATION OF THE MINERAL INDUSTRY IN AFRICA SOUTH OF THE EQUATOR**  
(Showing only some of the many companies involved) Chart I



**MINERAL INDUSTRY OF AFRICA SOUTH OF THE EQUATOR (CHART II)**

Rhodesian Anglo-American	Rhokana Corporation	Mufulira Copper Mines	Chibuluma Mines	Roan Antelope Copper Mines	Rhodesian Selection Trust	American Metal Climax Inc.
Oppenheimer, H.	Oppenheimer, H.	Oppenheimer, H.		Hochschild, W.	Hochschild, W.	Hochschild, W.
Frames	Rowlandson	Rowlandson		Hochschild, H.	Hochschild, H.	Hochschild, H.
Krogh	Seys	Bradford	Bradford	Bradford	Bradford	Bradford
Clark	Clark	Clark	Moore	Moore	Moore	Dean, A. H.
Newson	Newson	Newson	Newson	Newson	Coolbaugh	Coolbaugh
Hagart	Taylor	Taylor	Taylor	Finn	Finn	Childs
Wilson, W.	Wilson, W.	Goudie		Goudie	Goudie	Goudie
	Bennett	Lascelles	Lascelles	Lascelles	Lascelles	Bunker
Richardson	Richardson	Richardson	Richardson	Irwin	Irwin	Irwin
		Prain	Prain	Prain	Prain	Burden
	Beckingham	Beckingham		Kirkpatrick	Kirkpatrick	Mudd
Forsyth		Peterson		Peterson	Thomson	Reed
		Murphy		Murphy	Murphy	de Neufville
		MacLaren	MacLaren	MacLaren	MacLaren	Loeb
		Buch	Buch	Buch	Buch	MacGregor
		Tucker				Searls
						Szold

## Should UN Sue Union Miniere?

But for Katanga's secession and the political turmoil it created, the whole UN military force in the Congo probably could have been sent home at the end of 1960. Then why should the Union Miniere, which financed this secession, not be sued for the entire costs of the Congo UN Force during 1961?

The assessment of damages against Union Miniere, for the benefit of UN, could provide a start toward the program envisaged by Ambassador Frank Aiken of Ireland on March 28, 1961:

"... Indeed, if the proposed Central Government were to ask the United Nations to buy out the foreign interests in these companies, as the Government of Ghana recently purchased the foreign-held gold mines, I would strongly advocate that we should meet their request. An international company in which the Congo already owned a large part of the capital could run the various enterprises for a period of years, train Congolese citizens to operate them, repay the capital out of profits, and then hand them over to the Congolese State."

## Toward Freedom

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## Ghana And Pan-Africanism

"There can be no peace or security in Africa without freedom and political unity. So long as one inch of African soil remains under colonial rule there will be strife and conflict. So long as any group on this continent denies the privilege, there will be insecurity for the oppressors and constant resentment and revolt on the part of the oppressed. These are the elementary facts of life in Africa today. No man willed this situation and no man can stem the tide or divert the "winds of change". We decry violence and deplore it. We are devoted to non-violent positive actions. Experience has shown that when change is too long delayed or stubbornly resisted, violence will erupt here and there—not because men planned it and willed it—but because the accumulated grievances of the past erupt with volcanic fury.

"The Ghana Government has also extended its influence to two institutions which in any democratic society should have complete independence; the Churches and the Trade Union movement. Two weeks ago the Government ordered that branches of the CPP should be set up in all churches, and threatened the Catholic Church, which was suspected of obduracy, that obedience was the condition on which Catholicism would be tolerated in Ghana.

"The Trade Union movement hierarchy has always been closely tied to the Government. The General Secretary has a seat on the Cabinet. But rank and file leadership has sometimes rebelled and organized "wild-cat strikes". Leaders of the recent Takoradi strike are among those 50 recently rounded up under the Preventive Detention Act. This is one of the most disturbing aspects of the arrests: not only is the Peoples' Party attacking the Right wing of its own party and the middle-class intellectuals, but the rank and file leaders of the workers.

"The Takoradi strike was of course an embarrassment to the Government. It was a protest against the national austerity budget which imposed compulsory savings and hence a cut in wages. It is interesting to remember that the last time the Preventive Detention Act was used on a major scale was during the economic unrest just over a year ago."

--Editorial in Peace News, London

"It is in this light that we must view those fortunately rare, but no less tragic episodes which have confronted us -- the Mau Mau war in Kenya, the costly struggle in Algeria, and events in the Cameroons and settler domination should have eyes to see and ears to hear. Where, as in Algeria, the bloody struggle still proceeds, it would be the essence of wisdom on the part of those who defend the privileges of colonial rule to negotiate a cease-fire now rather than to prolong a conflict which, should they even win, will in the long run raise its head again. Peace in Algeria must take the first priority in the consolidation of peace

and in laying the foundations of security.

"Our emphasis upon Africa bespeaks neither chauvinism nor isolationism. We who pioneered the development of Pan-Africanism have done so with a vision. History has described to us the tragedies which have beset every other continent upon this planet--the international wars, the rebellions and revolutions. We must be determined that this continent of ours shall not repeat that dismal history.

The continent of Africa has been drenched with blood in the past, it has been raided for slaves, it has been partitioned, exploited, and looted. Precisely because it has had this kind of past it is determined not to have that kind of future. If we succeed, and we must, the whole of mankind—not Africa alone—will reap immense benefits."

--Pres. Kwame Nkrumah in Voice of Africa, Accra

## S. Rhodesian Leaders Are Imprisoned

Southern Rhodesia detainees are well into their third year of imprisonment without trial. Those who were arrested at the same time in Northern Rhodesia and Nyasaland have long since been released. These atrocities are as difficult to forget as they are to forgive. Dr. Banda and his team were arrested almost at the same time as George Nyandoro and Robert Chikerema of Southern Rhodesia. But today Dr. Banda himself is on the way to being Nyasaland's first Prime Minister, while our "boys" are still rotting in the hot jungles of Gokwe.

Their crime was that they relentlessly pointed out to the Government the wickedness of the Land Apportionment Act on which the Land Husbandry Act is based. The Government has at last seen the point, and are amending it, and have shelved the Land Husbandry Act. If there was morality in our politics the Government should not only have released these people but should have apologized to them for a wrongful imprisonment. It has done neither.

When I visited home recently I found the United Federal Party of Prime Minister Edgar Whitehead frantic in its so-called 'Nation Building' campaign. Suddenly swimming pools, theatres and residential areas are to become multiracial. This move is meant to deal the all-powerful National Democratic Party a mortal blow. The White people were terribly disappointed, for the new-look move failed to get the approval of the Africans, as they deemed it a red herring. If Whitehead is serious about his Nation-Building scheme let him do the following two things before he can ever dream of any sincere African co-operation: Let him respect our Leaders, George Nyandoro and Robert Chikerema, and let him at last take heed of the African opposition to the unacceptable new constitution. This would lay a true foundation for a truly permanent new nation with one common citizenship.

--Joshna Nkomo in Radar, (London)

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