Victor M. Gwande

The Political Economy of American Businesses in British Central Africa, 1953–1963

This article details how and why officials in the United States and the Federation of Rhodesia and Nyasaland developed policies and initiatives to promote US capital investments. It analyzes these policies in the context of decolonization, white minority rule, and the Cold War in Africa. It further shows how US business interests, especially in the mining industry, increased their investments and influenced policy. Drawing from Zimbabwean archives, it argues that these competing priorities produced inconsistent results that tended to support US imperialism and hinder nationalist movements in British Central Africa.

Keywords: British Central Africa, political economy, United States of America, big business, Federation of Rhodesia and Nyasaland, decolonization

When Britain proclaimed the Central African Federation (CAF) (present-day Zimbabwe, Zambia, and Malawi) in 1953, it hoped this would promote multiracialism or racial partnership and accelerate economic development in British Central Africa.[1] Another intention was that "local white control over the three territories would reassure potential foreign investors that Central Africa would be a safe area in

[1] To understand the federation, see Andrew Cohen, *The Politics and Economics of Decolonization in Africa: The Failed Experiment of the Central African Federation* (London, 2017); Phillip Murphy, "'Government by Blackmail': The Origins of the Central African Federation Reconsidered," in *The British Empire in the 1950s: Retreat or Revival?*, ed. Martin Lynn (London, 2005), 53–76; Ronald Hyam, "The Geopolitical Origins of the Central African Federation: Britain, Rhodesia and South Africa, 1948–1953," *Historical Journal* 30, no. 1 (1987): 145–72; Colin Leys and Cranford Pratt, eds., *A New Deal in Central Africa* (London, 1960); Roy Welensky, *Welensky's 4000 Days: The Life and Death of the Federation of Rhodesia and Nyasaland* (London, 1964).

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which to invest."[2] To the British and other foreign investors, local white control symbolized stability, civilization, and progress. Meanwhile, another perspective questioned whether by the time of its dissolution in 1963 the CAF had achieved its goals.[3] What is not in doubt, however, is that the formation of the CAF attracted considerable foreign investment, with US investments being a critical case in point.[4]

American capital and businesses entered Central Africa during a complex period. Internationally, a new global order of capitalism fronted by the United States and Western Europe, pitting it against communism championed by the Soviet Union, had emerged in the post–World War II era. The two blocs became interested in Central Africa.[5] Under threat from emerging African nationalism, white minority regimes in the region looked to either Western countries or capital to support their staying in power. Equally, Western powers helped emerging African governments and aspiring leaders who embraced capitalism, as the cases of Mobuto Seseko in Zaire and Jonas Savimbi in Angola showed.[6] At the same time, African nationalists turned to the communist world and "friendly" businesses for political and financial support to wage their fight against colonial rule. This article thus examines how and why the US and CAF authorities developed policies and initiatives that promoted US capital investments during this complex period of decolonization, white minority rule, and the Cold War in Africa. It demonstrates that American business interests, particularly in mining, consolidated their investments and shaped policy in the region.

[2] Cranford Pratt, "Why Federation Was Supported," in Leys and Pratt, *New Deal in Central Africa*, 49.

[3] Arthur Hazelwood, "The Economics of Federation and Dissolution in Central Africa," in *African Integration and Disintegration: Case Studies in Economic and Political Union*, ed. Hazelwood (London, 1967), 194.

[4] Victor M. Gwande, "Federation, Factories, and Foreign Capital: Economic Growth in Southern Rhodesia, 1953–1956," *International Journal of African Historical Studies* 52, no. 2 (2019): 231–53.

[5] John Kent, "United States Reactions to Empire, Colonialism, and Cold War in Black Africa, 1949–57," *Journal of Imperial and Commonwealth History* 33, no. 2 (2005): 195–220; Robert S. Smith, "The Nature of American Interests in Africa," *Issue: A Journal of Opinion* 2, no. 2 (1972): 37–44; Rupert Emerson, "American Interests in Africa," *Centennial Review of Arts & Science* 4, no. 4 (1960): 411–26; Vladimir Shubin, *The Hot "Cold War": The USSR in Southern Africa* (London, 2008); Shubin, "The USSR and Southern Africa during the Cold War" (Occasional Paper No. 1, Centro di Studi Storici e Politici su Africa e Medio Oriente, Bologna, Nov. 2008); John Barratt, "The Soviet Union and Southern Africa" (Occasional Paper, South African Institute of International Affairs, Johannesburg, May 1981).

[6] Elizabeth Schmidt, *Foreign Intervention in Africa: From the Cold War to the War on Terror* (Cambridge, UK, 2013), esp. chaps. 1 and 5. See also Lazlo Passemiers, *Decolonisation and Regional Geopolitics: South Africa and the "Congo Crisis," 1960–1965* (London, 2019); L. J. Butler, "Britain, the United States, and the Demise of the Central African Federation, 1959–1963," *Journal of Imperial and Commonwealth History* 28, no. 3 (2000): 133; Felipe Ribeiro de Meneses and Robert McNamara, *The White Redoubt, the Great Powers and the Struggle for Southern Africa, 1960–1980* (Basingstoke, 2017).

Consequently, the article argues, these competing priorities produced inconsistent results that tended to support US imperialism and hinder nationalist movements in British Central Africa.

American interests in British Central Africa have received scholarly attention. Scholars examined the contribution of particular state officials, cultural factors (such as education and health care), and race relations influencing US relations with the CAF.[7] Articulating US-Zimbabwe connections, Andrew DeRoche emphasizes the strategic importance of Rhodesian chrome and copper in America's armament industry, an aspect that cemented ties between the two "multiracial democracies."[8] Showing the "Rhodesian issue" as "an essential part of [Anglo-American relations] in world affairs," Carl P. Watts also elaborates on the US political links with British Central Africa.[9] DeRoche's and Watts's contributions are anchored in internationalist perspectives and informed by transnational archives, in which, unfortunately, local archives are less utilized. Eddie Michel also examines the relations between Rhodesia and the United States during the Unilateral Declaration of Independence (UDI) years of 1965 to 1979. Michel shows that "shifting patterns in the US approach toward Salisbury [Rhodesia's capital] ranging from empathy to open hostility were reflective not only of the individual viewpoints of the occupants of the Oval Office but represented the larger diverse pressures, global and domestic, shaping foreign policy during the 1960s and 1970s."[10] While political relations between the United States and Rhodesia are well articulated, Michel is somewhat silent on the convergence of interests between the American government and its big businesses over the developments in British Central Africa rooted in the federal years.

Meanwhile, other scholars have examined the role of American big business in the decolonization of Central Africa through political

[7] Andrew DeRoche, "Frances Bolton, Margaret Tibbets and the US Relations with the Rhodesian Federation, 1950–1960," in *Living the End of Empire: Politics and Society in Late Colonial Zambia*, ed. Jan Bart Gewald, Marja Hinfelaar, and Giacomo Macola (Leiden, 2011), 299–325; Carl P. Watts, "G. Mennen Williams and Rhodesian Independence: A Case Study in Bureaucratic Politics," *Michigan Academician* 36, no. 3 (2004): 225–46; DeRoche, "Establishing the Centrality of Race: Relations between the US and the Rhodesian Federation, 1953–1963," *Zambezia* 25, no. 2 (1998): 209–30; "Dreams and Disappointments: Kenneth Kaunda and the United States, 1960–1964," *Safundi: The Journal of South African and American Studies* 9, no. 4 (2008): 369–94.

[8] See DeRoche, *Black, White & Chrome: The United States and Zimbabwe, 1953–1998* (Trenton, NJ, 2001).

[9] Carl P. Watts, *Rhodesia's Unilateral Declaration of Independence: An International History* (New York, 2012), 321; "The United States, Britain, and the Problem of Rhodesian Independence, 1964–5," *Diplomatic History* 30, no. 3 (2006): 439–70.

[10] Eddie Michel, "United States Relations with Southern Rhodesia during the UDI Era," in *Oxford Research Encyclopedia of African History* (Oxford, 2020), n.p.

interventions, particularly to the north of the Zambezi River, in Northern Rhodesia.[11] Ian Phimister intervenes in the debate, demonstrating how "economics and politics of production" and profitability shaped corporate attitudes toward "African advancement" in the CAF.[12] The existing analysis of America's relations with the region focuses on the CAF, north of the Zambezi and South Africa. In Southern Rhodesia, the examination centers on social and political aspects, especially during the UDI period. Little known is how American investments consolidated during the federal years, enabled by the policies and initiatives of the CAF and US officials, and how this influenced decolonization. This article accounts for these competing interests and argues that they resulted in ambivalent US policy that nevertheless subdued African nationalism and entrenched American imperialism and white minority rule. The argument contributes to debates on America, Britain, and big business's role in decolonization.[13] It relies on federal archives from the National Archives of Zimbabwe, augmented by the Foreign Relations of the United States series. The article is structured in three sections. The first part discusses the evolution of America's interests and the broad consummation of a relationship between the United States and the CAF; the second focuses on the stock of the new investment by American businesses during the first four years of the federation. The last explains the differences in America's attitude toward decolonization in Northern and Southern Rhodesia as shaped by its historical relations with and the extent of investments in the territory.

The Consummation of a Relationship between America and the CAF

Addressing American academics and students of Africa in 1972 on "the nature of American interests in Africa," an official in the US Department of State, Robert S. Smith, enumerated the broad interests that informed America's African policy, categorizing these as "political,

[11] L. J. Butler, "Business and British Decolonisation: Sir Ronald Prain, the Mining Industry and the Central African Federation," *Journal of Imperial and Commonwealth History* 35, no. 3 (2007): 459–84; Andrew Cohen, "Business and Decolonisation in Central Africa Reconsidered," *Journal of Imperial and Commonwealth History* 36, no. 4 (2008): 641–58; Cohen, *Politics and Economics*; Andrew Cohen and Rory Pilossof, "Big Business and White Insecurities at the End of Empire in Southern Africa, c.1961–1977," *Journal of Imperial and Commonwealth History* 45, no. 5 (2017): 777–99.

[12] Ian Phimister, "Corporate Profit and Race in Central African Copper Mining, 1946–1958," *Business History Review* 85, no. 4 (2011): 749–74.

[13] See, for example, Butler, "Britain, the United States"; Kent, "United States Reactions"; Sarah Stockwell, "Trade, Empire, and the Fiscal Context of Imperial Business during Decolonization," *Economic History Review* 57, no. 1 (2004): 142–60; and Nicholas J. White, "The Business and the Politics of Decolonization: The British Experience in the Twentieth Century," *Economic History Review* 53, no. 3 (2000): 544–64.

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strategic, commercial, psychological or economic." The commercial and economic interests targeted "the economic and social development of the African people and Africa's resources and markets."[14] In a 2005 publication, John Kent gave a longer view of America's involvement in sub-Saharan Africa, which reached its pinnacle "when the continent assumed political importance for American Cold War policy [and] Washington began to grapple with the dilemma of winning African support and preserving the alliance with European colonial powers."[15] However, Kent's timeline here relates to political interests alone. Otherwise, US capital was already involved in sub-Saharan Africa when Rhodesian Selection Trust (RST), founded in 1928, got financial investment from the American Metal Company (AMC) of New York by acquiring one million shares of RST in October 1930. RST operated on the Zambian Copperbelt. Around the same time, another American firm, Union Carbide Corporation, invested in chrome mining through a local subsidiary, African Chrome Mines, in Southern Rhodesia. To this extent, America's link with the region began earlier than Kent presents.

As European empires declined and a new international order emerged, post–World War II, the United States positioned itself in the new internationalism. However, African European colonizers viewed America's new interest in sub-Saharan Africa with suspicion. "This form of European reaction," notes Kent, "was particularly noticeable in French West Africa during the war, and René Pleven, Charles de Gaulle's commissioner for the colonies, told the British that the Americans aimed at world economic domination and were only interested in exploiting Africa for their own gain."[16] The uneasiness between the US and European imperial actors, however, soon changed in the context of Cold War politics. America and Western Europe shared a common objective of "forestalling Communism." The real motive for both powers, though, was to maintain access to African resources and markets while at the same time propagating their espoused ideas of liberalism and free enterprise. In the context of the Cold War, Africa became an essential source of resources, such as chrome and tobacco, that the United States and other European powers needed; hence the renewed interest in the region, as is elucidated in the later sections.

While the "United Kingdom shared America's fear of communism and commitment to multilateralism," there was tension between America's push for economic liberalism and Britain's colonialism.[17] Tinashe

[14] Smith, "Nature of American Interests," 37.

[15] Kent, "United States Reactions," 195.

[16] Kent, 198.

[17] Scott Newton, "The Sterling Crisis of 1947 and the British Response to the Marshall Plan," *Economic History Review* 37, no. 3 (1984): 391.

Nyamunda and Scott Newton unpack this tension in their analyses of the British sterling imperialism and the sterling convertibility crisis post–World War II.[18] Britain had financial and trade arrangements within its empire whereby colonies and dominions kept their sterling reserves with the Bank of England. For America, sterling imperialism represented a "discriminatory economic bloc which impeded progress to an open world economy." Consequently, sterling imperialism had to be replaced with "non-discrimination in trade and currency convertibility."[19] Under the terms of the Anglo-American Loan Agreement of July 1946—meant to help Britain with its postwar recovery after it had suffered substantial human and capital losses during World War II—the United States had demanded the liberalization of the sterling, to which Britain had conceded. For Britain, however, currency convertibility created a crisis that "arose as many countries which had kept their currency reserves as sterling securities wanted to liquidate them and shift toward the US dollar, [thus causing] inflationary pressures on the pound, leading to a run on the Bank of England which had kept its Empire's reserves."[20] It also increased Britain's demand for the dollar, which had now ascended to the apex of the global monetary system as the currency of international trade.

The convertibility crisis was averted when Britain, with the acquiescence of the United States, passed the 1947 Exchange Control Act to restore its control over financial and currency arrangements with the colonies. The reconfiguration was what Anthony Low and John Lonsdale call the "second colonial occupation," which essentially meant the "concerted reassertion of metropolitan control over the empire."[21] The second colonial occupation shaped Britain's Africa policy, in part resulting in her acceding to the establishment of the Federation of Rhodesia and Nyasaland in 1953. Britain's interests also coincided with the aspirations of the majority of the white population in Northern and Southern Rhodesia to establish a bigger British territory in Central Africa. Organized business in the two countries also weighed in that "economic development of Central Africa territories can only be secured by the closest possible unification of the Central African territories."[22] On September

[18] Scott Newton, "The 1949 Sterling Crisis and British Policy towards European Integration," *Review of International Studies* 11 (1985): 169–82; Tinashe Nyamunda, "British Sterling Imperialism, Settler Colonialism and the Political Economy of Money and Finance in Southern Rhodesia, 1945 to 1962," *African Economic History* 45, no. 1 (2017): 77–109.

[19] Newton, "Sterling Crisis of 1947," 391.

[20] Nyamunda, "British Sterling Imperialism," 82.

[21] D. A. Low and J. M. Lonsdale, "East Africa: Towards a New Order 1945–1963," in *Eclipse of Empire*, by D. A. Low (Cambridge, UK, 1991), 164–214; Low and Lonsdale, "Introduction," in *History of East Africa*, vol. 3, ed. D. A. Low and Alison Smith (Oxford, 1976), 1–64.

[22] *Rhodesian Recorder*, Apr. 1950.

1, 1953, Britain proclaimed the Federation of Southern Rhodesia, Northern Rhodesia, and Nyasaland (the Federation).

Aware of the transformation in British Central Africa, America stood ready to enter the region. DeRoche and Watts demonstrate how US State Department officials such as Frances Bolton, Margaret Tibbets, and G. Mennen Williams were central in shaping American entry and visibility in the Federation.[23] Similarly, Larry Butler shows the deep entanglement of the United States in the Federation from the late 1950s as it supported Britain during a difficult period of decolonization.[24] But even earlier than that, the United States had already inquired about the region. For example, in the pre-federal period, the US Chamber of Commerce wrote to the British embassy in Washington inquiring about Southern Rhodesian investment policies as they related to America. Indeed, Southern Rhodesia welcomed American investment "provided this was devoted to long-term productive enterprise, and preferably, to production which could either earn hard currency by exports or save hard currency by relieving import requirements."[25] The emphasis on earning and saving hard currency should be understood in the context of the sterling convertibility crisis and dollar shortage discussed earlier.

The Southern Rhodesian government followed up on the US inquiry. As its economy underwent a significant transformation and diversification in the postwar period, the settler state and local industrialists realized the need for foreign capital. Consequently, it initiated efforts to attract this capital, culminating in publication of a brochure titled *Southern Rhodesia: A Field for Investment* to be circulated in foreign countries. The prime target was the United States, to which the government dispatched a delegation to distribute the booklet. According to the *Rhodesian Recorder*, a trade and industrial journal in the country, the brochure was well received.[26] Yet the initiative only bore tangible results later, mainly because the establishment of the Federation enlarged the market in which the manufacturing sectors could sell their products. Indeed, the need for bigger markets by secondary industries (especially those in industrialized Southern Rhodesia) was one of the reasons industrialists supported the Federation.[27]

[23] DeRoche, "Frances Bolton."

[24] Butler, "Britain, the United States," 133.

[25] "Dollar Investments, 1945–1951: Reply to Questions Listed in United States Chamber of Commerce's Letter of 9 Oct. 1948," S3292/11/15, National Archives of Zimbabwe, Harare (hereafter, NAZ).

[26] *Rhodesian Recorder*, Oct. 1950.

[27] Lewis Gann and Michael Gelfand, *Huggins of Rhodesia: The Man and His Country* (London, 1964), 209–13.

America's interest in the region is also reflected in the Foreign Relations of the United States documents, where commentaries on the Federation appear repeatedly.[28] Right at the birth of the Federation, the American consulate general in Salisbury, John P. Hoover, proposed that the new federal government be invited for negotiations for a possible agreement of commerce and economic development with the United States. Hoover believed that "entering into such an agreement . . . would be one way in which the United States could support the development of Central Africa . . . and would be a most effective means of arousing the interest in this area of American private enterprise."[29]

The Federation was also brought to the world's attention early. The Central African Rhodes Centenary Exhibition (CARCE)—held to celebrate the life of Cecil John Rhodes, the nineteenth-century British tycoon who engineered the region's colonization through his British South Africa Company—took place in Bulawayo, the second city of the Federation, in 1953. It attracted various businesses and dignitaries from across Africa, Europe, and even the United States. The federal government extended an invitation to US President Dwight D. Eisenhower.[30] President Eisenhower instead sent his representative, William H. Ball. Ball also carried another mandate to the exhibition: to ask "Rhodesian officials [about] possibilities of private American investment there" and "areas [of the] Federal economy welcoming private investment, assurances [on] remission [of] profits [and] repatriation [of] capital, and guarantees of treatment [of American capital] no less favorable than that accorded local capital." The points of inquiry were prompted by a *New York Times* report on Prime Minister Godfrey Huggins's statement that the "Federation [was] looking [to the] US for 'billions of dollars' commercial investment for development."[31]

Ball was also to ascertain the attractiveness of the Federation's investment opportunities and its climate for foreign private capital. The line of inquiry was not new, however. As highlighted earlier, the US Chamber of Commerce had sent similar questions to the British Embassy (in its capacity as the Federation's overlord) in Washington in 1948. After attending the CARCE, Ball gave his impression of the Federation: "we Americans view with great interest your political evolution . . . what I have seen at the Exhibition has opened my eyes. I had

[28] See, for example, *Foreign Relations of the United States* (hereafter, *FRUS*), 1952–1954, Africa and South Asia, vol. X1, part 1 (Washington, DC, 1983), document 123, "Southern Rhodesian Correspondence" (5 Jan. 1952).

[29] *FRUS*, 1952–1954, Africa and South Asia, vol. XI, part 1, document 144, *The Consul General at Salisbury (Hoover) to the Department of State* (24 Sept. 1953).

[30] *FRUS*, 1952–1954, Africa and South Asia, vol. XI, part 1, document 139, *The Secretary of State to the Consulate General at Salisbury* (27 July 1953).

[31] *FRUS*, 1952–1954, Africa and South Asia, vol. XI, part 1, document 139.

no idea Central Africa was developing so fast . . . what you have shown me has been a real education."[32] His comments amounted to an endorsement of the region's attractive investment climate.

The Federation followed up on Ball's visit with a diplomatic overture. In July 1954, the Federation's deputy high commissioner in London traveled to the United States "to canvass the possibility of establishing some form of representation for the Federation in the US" The trip had the blessing of the British government, because as the Crown government, it had authority over the formal external relations of the Federation. Nevertheless, the federal government still had some ancillary aspects of external relations in the federal constitution. Thus, the commissioner had the requisite legal and constitutional mandate to pursue the federal government's idea of "sending a relatively high-ranking official to handle its affairs in the United States." The government intended that this official—to be known as the "Counselor for Federation of Rhodesia and Nyasaland Affairs"—"would focus on acquainting American financial and industrial circles with investment and development opportunities in the Federation."[33] In addition, the counselor's consular functions, if any, would be minimal. Other expectations included handling inquiries from the public and distributing information regarding the Federation. Virtually, this counselor was akin to a glorified public relations officer or a trade commissioner—positions the constituent territories of the Federation had regularly posted abroad to open trade and market opportunities. Regardless, a formal relationship between the Federation and the United States was cemented, enabling and hastening many federal government plans and policies to attract American investment, the subject of discussion below.

American Investment in the Federation, 1953–1956

Following the official acceptance of the counselor office in America, the Federation published its investment policy for US investors in September 1954. It welcomed private US dollar investments, especially in food production and secondary industry utilizing the country's resources. Furthermore, as part of the sterling area dealing with the dollar crisis, the Federation made pointed efforts to lure investments that either earned or saved hard currency or contributed to the country's economic development. Meanwhile, many American investors feared the specter of nationalization, expropriation, or competition from the state.

[32] *Bulawayo Chronicle*, 8 Aug. 1953.

[33] *FRUS*, 1952–1954, Africa and South Asia, vol. XI, part 1, document 148, *Memorandum of Conversation, by the Officer in Charge of West, Central, and East Africa Affairs* (*Feld)* (29 July 1954).

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As a precautionary measure, the US Department of Commerce created an insurance scheme for American investors to protect them against losses in the event of expropriation by foreign governments.[34] The federal government, however, allayed these fears; it explained that in the past, it had invested in some undertakings it considered of national interest or necessary for further development of the country or where private capital was not prepared to invest. Government investments were made particularly in Southern Rhodesia during World War II. In cases where expropriation was resorted to, the state compensated either by mutual agreement or arbitration. The federal government further affirmed that the basis of the economy was free enterprise. Therefore, US investors need not fear expropriation or nationalization, nor was an insurance scheme necessary in Southern Rhodesia.[35]

However, like any other foreign investor entering the Federation, American investors were obliged to observe and comply with the federal laws as they related to Africans. The primary legislation concerned two topical subjects: labor and land. Two acts—the 1930 Land Apportionment Act (LAA) and the 1934 Industrial Conciliation Act (ICA)—defined these aspects. Regarding labor, the ICA prevented Africans from competing with whites for skilled jobs in secondary industry. The act, hence, did not recognize Africans as employees by definition. If Africans were employed, they did not enjoy the rights accorded to employees because the act excluded them. It also regulated wages, accommodation, rations, health services, factories, employment of juveniles, workers' compensation, and the registration of service contracts. As for land, the LAA—considered the "Magna Carta" of white rule in Southern Rhodesia—demarcated ownership along racial lines. Africans had to develop separately from Europeans, thereby reducing competition between the two groups. The federal government expected even stricter compliance with these provisions.[36]

The most favorable and investor-friendly policy for US investors was the repatriation of capital and profits. American citizens employed in the Federation could remit to the United States any earnings over amounts required for their local needs. Money invested in "approved investments" were also remittable to the United States "*at any time* subsequent to the initial injection of dollar capital." Approved investments were those business ventures that the government recognized as vital to the country's economic development. For example, all investments

[34] "United States Investment in the Federation: Memorandum by the Federal Information Department on Policy in regard to U.S. Investors," 10 Sept. 1954, F292/2/2/5, NAZ.

[35] "Investment of Foreign Capital in Southern Rhodesia and Colonies: Policy in regard to U.S. Investors," n.d., S2538/180/57, NAZ.

[36] "United States Investment in the Federation," NAZ.

in basic industries (iron and steel production, power generation, transport, textiles) were categorized as approved investments. Profits, dividends, and interest derived from all types of dollar investment, approved or not, were automatically remittable and were not subjected to any limit, provided they were bona fide earnings.[37] Speculative investments, which were common in land and real estate, were subjected to a ten-year freeze before they could be repatriated. Though seemingly too desperate a gesture, this generous policy on repatriation of capital demonstrated the federal government's commitment to attracting foreign investment for its economic development.

In addition to the hospitable investment climate the Federation offered, the Cold War–induced polarization pushed the United States and other capitalist countries to be much more involved in this part of the continent. According to C. Douglas Millon, a US Department of Commerce official, "encouragement of American private investment abroad was necessitated by the need to forestall Communist offensive against the Western system of free enterprise."[38] As highlighted earlier, the Federation clarified that free enterprise was the essential basis of the country's economy. To this extent, its economic system was consonant with America's foreign policy interests. The inflow of American private capital was thus a deliberate policy supported by the US government in the post–World War II context.

To further maximize its chances of luring American investors, an investment adviser, G. F. Spaulding, was appointed by the International Cooperation Administration in Washington with the agreement of the federal government for an initial period of one year from March 1956. Among other functions, his role was "to assist and advise the government in respect of the promotion of private investment of foreign, particularly American capital."[39] Spaulding would examine worthwhile business projects and recommend American private capital participation. He conducted tours and surveys across the Federation. The surveys and examination generated reports showing the extent to which industrial development had taken place in the Federation, particularly in Southern Rhodesia. These reports were significant in that they acquainted American investors with investment opportunities in the territories.

Additionally, Spaulding commended the Southern Rhodesian government for helping to establish several projects undertaken by foreign private investors. For example, the government helped set up an

[37] "United States Investment in the Federation," NAZ.

[38] C. Douglas Millon, "Statement on United States Investment in the Federation," n.d., F292/2/2/5, NAZ.

[39] "Quarterly Report of the Investment Advisor to the Federation of Rhodesia and Nyasaland," 1956, F184/B/218/01, NAZ.

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ammonia plant at Aspindale, Salisbury, by providing an engineer who prepared a report that the private company could use to conduct its investigations.[40] Many government departments were most cooperative in supplying data pertinent to a project or, if unavailable, helping procure them. The federal government provided free transport for visiting teams of investigators and allocated specialists to assist in the investigations. These gestures projected an image of a government willing to help and hospitable to foreign capital investment.

As the federal government demonstrated that it was a safe host to US investments, American organizations and companies in the Federation established contacts, especially in the industrial hub of Southern Rhodesia. In 1956, economists at Mercer University in the United States established the Foreign Development Association, which acted as an agent between American investors and local companies in the Federation needing capital.[41] It managed to link a Southern Rhodesian engineering firm, Joelson Brothers, with potential US financiers and investors. America also provided financial support to the Federation by other international financial institutions (IFIs). For example, the United States facilitated financing of the Kariba Dam hydroelectricity project.[42] Through its representatives at the International Bank for Reconstruction and Development, America supported the granting of $28 million to Southern Rhodesia to expand electricity production in the colony.[43] In conjunction with the World Bank, other US organizations also extended a loan facility worth $5.6 million to the Federation to develop African farming in Southern Rhodesia.[44] Of this figure, $2,347,000 was provided by the Chase Manhattan Bank, the Morgan Guaranty Trust Company of New York, and the Northern Trust Company of Chicago. Britain guaranteed both loans, not only because Southern Rhodesia was not a member of these IFIs but also because the United Kingdom supported foreign investments in the Federation.

Several firms of American origin or backed by American capital established themselves in the Federation. Some of the firms are listed in Figure 1. In addition to the free enterprise policy in the Federation, the expanded federal market also attracted companies. Two American insurers established branches in Southern Rhodesia, in 1953 and

[40] "Quarterly Report," NAZ.

[41] "Quarterly Report," NAZ.

[42] See Julia Tischler, *Light and Power for a Multiracial Nation: The Kariba Dam Scheme in the Central African Federation* (London, 2013).

[43] D. A. V. Fischer, "Memorandum on Southern Rhodesia Economic & Financial Matters: International Bank Loan to Southern Rhodesia," 15 Mar. 1952, BTS 1/58/7, vol. 2, National Archives of South Africa, Pretoria (hereafter, NASA).

[44] United Nations press release on the International Bank for Reconstruction and Development loan to Southern Rhodesia, n.d., BTS 303, 1/156/2, NASA.

Southern Rhodesia firm	*Business activity*
Benford Estate (Pvt) Limited, Salisbury	Motel (accommodation)
Polythene Piping (Pvt) Limited, Salisbury	Manufactures irrigation equipment from plastic materials
Bourne and Co. Limited (Subsidiary of Bourne and Co. Limited, New Jersey)	Distribution and sales of Singer sewing machines
Eimico (Rhodesia) Pvt Limited (subsidiary of Eimico Corp., Utah)	Distribution and sales of industrial and mining machinery
Cheseborough-Ponds International Limited (subsidiary of Cheseborough-Ponds Inclusive)	Manufacturers and distributors of toilet preparations
Salisbury Bottling Company Pvt Limited (subsidiary of Coca-Cola Co.)	Bottling and distribution of soft drinks
Central African Bottling Co. (subsidiary of Pepsi-Cola Co.)	Bottling and distribution of soft drinks

Figure 1. Principal US commercial interests in the Federation of Rhodesia and Nyasaland. (Source: United States Investment in the Federation: Principal American Commercial Interests in the Federation, F292/2/2/5, NAZ.)

1954.[45] American investment in private enterprise in the Federation area increased from £1.05 million in 1952 to £3.02 million in 1953 and was worth an estimated £5 million by 1954.[46] Investments to government and official bodies increased from £2.3 million in 1952 to £5.7 million in 1953 and were worth an estimated £6 million by 1954. Overall, by 1957, the American stake in the Federation was valued at £45 million; of this figure, about £25 million was in direct private investment, while the remainder was in government loans.[47]

The most significant American investment in the Federation was in the mining sector. In Southern Rhodesia, considerable investment was in chrome mining; Union Carbide, the second-largest chemical company in the United States, had owned African Chrome Mines (Rhodesia) since 1929. Southern Rhodesian chrome was regarded as the "finest metallurgical chrome ore that has ever been found."[48] More than 260,000 tons of chrome entered the United States from the

[45] United States Department of Commerce, *Investment in Federation of Rhodesia and Nyasaland* (Washington, DC, 1956), 96.

[46] *Rhodesian Recorder*, Nov. 1954.

[47] *Rhodesia Herald*, 16 Feb. 1957.

[48] Duncan G. Clarke, *Foreign Companies and International Investment in Zimbabwe* (Gwelo, 1980), 78–79.

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Federation, almost twice the quantity produced by the US mining industry.[49] The bulk of this came from Southern Rhodesia. That Union Carbide owned the chrome mines in the Federation was significant. It meant America could stockpile chrome in the wake of the Korean War and keep it away from the Soviets in the Cold War context. To this extent, mining became central in the relations between the United States and the Federation.

On the Copperbelt in Northern Rhodesia, as articulated by L. J. Butler, Andrew Cohen, and Ian Phimister, one of the two major mining firms operating copper mines was Rhodesian Selection Trust, owned by the New York–based AMC. The other was Rhodesian Anglo American, a South African–based subsidiary of the Anglo American Corporation initially financed by J.P. Morgan Bank. Anglo and RST financially supported the campaign for the Federation in 1952 and also funded two key lobby groups: the United Central Africa Association and the Capricorn Africa Society. Sir Ronald Prain, the influential chair of RST, promised Roy Welensky, the settler political leader in Northern Rhodesia and the future prime minister of the Federation from 1958 until its demise, that RST would find additional funds should Anglo decide against contributing to the campaign.[50]

In addition to clandestinely sponsoring the campaign for the Federation, RST and Anglo continued to financially support the United Federal Party (UFP), the most prominent political party in the Federation. The mining firms justified their financial support because "the UFP effectively was the political system: to guarantee the Federation's success, it was necessary to ensure that its governing party was efficiently organized and adequately funded." The interconnectedness between the two mining firms and UFP drew the ire of settlers who were suspicious and resentful of the potential ramifications of the high profile and, more worryingly, the likely influence and role of the companies within federal politics. Therefore, it is unsurprising that the UFP earned the label of "the 'stooge' of the copper groups." The accusations notwithstanding, in 1956 RST gave loans amounting to £3 million to the Northern Rhodesian and Nyasaland governments. As if to confirm the settlers' suspicions, RST dictated that these loans be directed toward African communities. On one level, the stipulation was politically intelligent. On another, it was self-serving, for the money was to be "spent largely in areas from which the group recruited most of its African labour."[51]

[49] Andrew DeRoche, *Black, White and Chrome: The United States and Zimbabwe, 1953 to 1998* (Trenton, NJ, 2001), 18.

[50] Butler, "Business and British Decolonisation," 462.

[51] Butler, 463, 465.

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Toward Decolonization: America in the Twilight of the Federation, 1957–1963

Amid all these maneuverings, the political situation in the Federation deteriorated. Signs of strife emerged in late 1956 when international copper prices collapsed, as copper was the mainstay of the federal economy. Coupled with the non-realization of the notion of "racial partnership"—one of the flagship ideals of the Federation, aimed at integrating Africans into the political life of the territory—the economic slump of the late 1950s compounded Africans' frustration. These factors combined to foment mass African nationalism that resulted in the Federation's demise, hastening the region's decolonization process.[52] From 1959, African nationalism intensified, threatening the Federation's stability. Africans challenged the federal and territorial governments' political authority across the three territories. African riots were so pronounced in Nyasaland that a state of emergency was imposed.

The political situation defiled the investment climate and dampened actual investments. In 1959, Garfield Todd, Southern Rhodesia's prime minister (1953–1958), remarked that the lack of confidence of overseas investors caused the slowdown in the Federation's economic advance and success. The obtaining situation worried these investors, he added, as "many people said that the Federation was not going to succeed, that it was going to break up, and because of that, they would not give it financial support."[53] The situation also scared domestic investors, who became skeptical as this "unsettled political situation shook their confidence . . . to such an extent that [they] tended to remove [their] capital elsewhere."[54] To deal with the potential flight that could result from these fears, the federal government introduced the Exchange Control (Temporary Measures) Act in 1961, which restricted the transfer of currency by Federation residents. However, the control measures did not affect foreign companies' profits, other legitimate payments, or imports. What was more encouraging for American investors was the reiteration and retention of the policy that a US citizen with an investment in the Federation could still repatriate the original sum at any time, together with any interest, dividends, or other form of legitimate capital gain. Also, the "pacification" of African riots assured investors that the federal government had control and could guarantee the stability and protection of their investments.

[52] Cohen, in *Politics and Economics*, comprehensively details the developments of this period.

[53] *Rhodesia Herald*, 3 June 1959.

[54] Admire Mseba, "Money and Finance in a Closed Economy: Rhodesia's Monetary Experience, 1965–1980" (MA thesis, University of Zimbabwe, 2007), 32.

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In that milieu, State Department officials advised the United States to have an even more keen interest in emerging African independent countries. Douglas Dillon, the US Deputy Under-Secretary of State for Economic Affairs, emphasized this advice when he addressed a foreign investment and economic development conference in March 1958. Quoting an Indian member of Parliament's remark—that "the drive for economic development is [happening] in the under-industrialised regions . . . the question is not whether this transformation will occur but at what rate and how, and whether or not these peoples will do the job in association with the rest of the free world"—Dillon encouraged the United States to recognize and understand this great movement.[55] Furthermore, the United States needed practical ways to identify with the aspirations of these free peoples to preserve political freedom in the world and strengthen the system of free enterprise that had nourished it.

Dillon made these remarks in the context of the Cold War and America's wariness over the Soviet Union's maneuvers in developing countries. He warned that "the Soviet leaders . . . are fully aware of this situation [development drive in the developing world]. Today Soviet's challenge to our way of life in this economic area is perhaps even more real and active than it is in the military and scientific technology sphere." Nikita Khrushchev, prime minister of the Soviet Union (1958–1964), had also boasted about its advances in global trade. Speaking to an American editor, he stated, "we will make war on you through peaceful trade to see which system [between capitalism and communism] is the best."[56]

The Soviet Union extended economic assistance to Asian and African countries. To mark its strong intentions, by the late 1950s, it had sent over two thousand technicians and granted over $1.5 billion of credit to developing countries. America had to respond to this challenge. One way was to "grant assistance through governmental channels such as we contributed to the European Recovery Programme (Marshall Aid Plan)." While the Marshall Plan worked for Europe because the objective was clear—to rebuild the shattered economies where the principal problem was a temporary shortage of equipment and goods—in the developing world, colonial plunder by the Western powers had resulted in a state of underdevelopment. These regions lacked basic facilities, "skilled" labor, experienced management, basic and technical education, and capital. "We must," emphasized Dillon, "instead, help provide the

[55] Douglas Dillon, "United States Investment in the Federation," 6 Mar. 1958, F292/2/2/5, NAZ.

[56] Dillon, 2.

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framework in which economic progress can take place at a steady and acceptable rate . . . we must pursue sound and consistent policies which will demonstrate to the less developed areas of the free world that our way of life, our free-enterprise system can meet the challenge of their problems and aspirations."[57]

But America also faced a major dilemma during this period: balancing its broader foreign goal of forestalling communism through supporting free enterprise with its foreign economic relations trajectory vis-a-vis the hopes and expectations of its domestic economic interest groups. For example, America's agricultural lobby groups made demands inconsistent with the true spirit of free enterprise and equitable world trade. The demands manifested in their push for promulgating the Agricultural Trade Development and Assistance Act of 1954. Also known as Public Law 480 (PL 480), the act sought "to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries . . . and to promote in other ways the foreign policy of the United States."[58] Public Law 480 also allowed for the disposal of costly domestic agricultural surpluses on concessional or grant terms (essentially, dumping). This was perceived as an unfair trading practice, contravening the tenets of the General Agreement on Trade and Tariffs (GATT), because PL 480 disrupted the export markets of several countries, particularly the Third World countries it claimed to be supporting.[59] It infringed on free enterprise, as the American government heavily supported its local farmers through the PL 480 deals. Yet it discouraged other nations from interfering with the market.

Nonetheless, the United States pursued its so-called framework for economic progress for developing countries, anchored on three elements: a forward-looking and consistent trade policy, the sharing of technical knowledge, and financial assistance to help developing countries develop themselves. Development capital could be promoted either by the government or by private enterprise. American private foreign investment around the globe totaled around $33 billion as of

[57] Dillon, 2.

[58] Public Law 480 Programs, "United States Federal Government Activities in or concerning Africa, FY 1976–FY 1978," *Issue: A Journal of Opinion* 8, no. 2–3 (1978): 75.

[59] Sibanengi Ncube and Tinashe Nyamunda, "Southern Rhodesia and Britain's Discriminatory Sterling Area: The Dollar Crisis and Post-War Colonial Tobacco Trade, 1947–1960," *Journal of Imperial and Commonwealth History* 50, no. 6 (2022): 14–15; Mary Fish, "Public Law 480: The Use of Agricultural Surpluses as Aid to Underdeveloped Countries (with Special Reference to India)" (PhD thesis, University of Oklahoma, 1963).

1958.[60] Of the new foreign investment of $2.75 billion in 1956, only $342 million had been invested in Asia and Africa. Furthermore, most of this amount was concentrated in the Middle East's oil-producing countries, leaving very little for the rest of Asia and Africa. Rupert Emerson also highlights the pattern of America's foreign investment in Africa, where its share in private American overseas investment was very slight, although American business interests were increasing.[61]

Given this trend, Dillon advised that "we must search out every way to promote greater flow of private investment and until we are successful in this endeavor, [we must] provide a reasonable amount of capital through government loans." Until private capital investment from the more fortunate areas of the world could fill the gap, the wealthier governments had to provide development capital. These overtures were not made out of American benevolence, nor were they an expression of any genuine desire to facilitate the economic progress of these countries. Instead, the United States feared that for these countries, the alternative to receiving foreign capital was the adoption of communism. "This they are likely to do," continued Dillon, "if no other course is open to them, and if we Americans permit the countries of Asia and Africa to be picked off one by one by the Soviet economic offensive, we can say goodbye forever to our own liberties."[62]

To counter the Soviet Union's overtures, America made available funds through the Export-Import Bank of the United States. It also established the Development Loan Fund (DLF) as part of the Mutual Security Program (a US foreign aid scheme introduced in 1951 to strengthen the Western countries' defenses against communism). The DLF was authorized to provide loans repayable in local currencies and dollars and to lend over longer periods than was possible through conventional financing. It financed basic projects in transportation, power, irrigation, and other government-operated projects. In addition, the DLF also assisted private projects, thereby promoting the growth of healthy private enterprises whose expansion, in America's view, was crucial to sustained economic progress. The US Congress authorized the Export-Import Bank to guarantee certain foreign loans from private sources in the United States.

In addition, conversations about the need for a healthy investment climate continued. Speaking at a monthly meeting of the Rhodesian Economic Society in September 1959, Tremper Longman, the representative in the Federation of International Co-operation Administration and

[60] Dillon, "United States Investment."
[61] Emerson, "American Interests in Africa," 419.
[62] Dillon, "United States Investment," 2, 4.

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adviser on proposals for American investment in the Federation, emphasized the need for a settled government. "Without question," insisted Longman, "the most important element is a settled, stable government through which a suitable legal framework [is] created. New or expanding industry or investment will look to a central authority for guidance."[63] In April 1961, R. B. Wetmore, the Federation counselor in New York, traveled to Boston for a World Trade Week Conference whose theme was "Business Opportunities in Emerging Africa." Addressing the conference, he traced the historical and economic development of the Federation, showing how this paralleled the opening up of the American Midwest and emphasizing that business infrastructure was largely Western in concept. More importantly, the country welcomed and needed every opportunity to expand trade and investment, and Americans were very much welcome.[64]

Other international companies still made inquiries, and others applied for permission to operate in the Federation.[65] An American entity, the African Research and Development Company, entered the Federation during this time with the advantage of having among its ranks Leonard Tow, who had previously been to Rhodesia on research trips for his PhD study on manufacturing opportunities in Southern Rhodesia. Tow eventually produced a thesis, "The Manufacturing Economy of Southern Rhodesia: Problems and Prospects," in 1960. Thanks to Tow, the company became a publicity partner of the Association of Rhodesia and Nyasaland Industries in America and facilitated contacts between American and Rhodesian businesses. While these investments may have still been happening, the deteriorating political situation caught the attention of the United States.

The years 1959 and 1960 were very eventful. Political riots erupted sporadically in Federation African townships, leading to a series of state-of-emergency declarations. The Sharpeville Massacre occurred in the Union of South Africa in 1960. Belgian Congo became independent the same year, but it was soon blighted by massive instability in what became known as the Congo Crisis. Meanwhile, the Advisory Commission on the Review of the Constitution of the Federation of Rhodesia and Nyasaland (the Monckton Commission) recommended that territories could secede from the Federation. The United States took a keener interest in these political developments and got deeply entangled. Butler and Cohen have paid attention to the US involvement in the last

[63] *Rhodesa Herald*, 16 Sept. 1959.

[64] R. B. N Wetmore, "United States Investment in the Federation," 4 May 1961, F292/2/2/5, NAZ.

[65] See reports in the *Rhodesia Herald*, 24 June 1960 and 11 Aug. 1960; and Leonard Tow to ARNI, 17 June 1960, MS1198 EA6/3, NAZ.

years of the Federation.[66] In particular, Cohen demonstrates how the links between the American-owned RST, alongside the South African–based Anglo-American Corporation, to leading federal politicians and policymakers in Britain and the United States were arguably crucial in determining the future of the Federation.

America's approach to decolonization was informed by Britain, the responsible authority over the three territories, and by its interest as per the Atlantic Charter in 1941. Among other ideas, the charter encouraged "the restoration of self-governments for all countries that had been occupied during [World War II] and allowing all peoples to choose their own form of government."[67] Stating the US philosophy on the developing situation, the State Department executive secretary remarked that the United States recognized and supported Britain's efforts to resolve the complex problems of the Federation; at the same time, it also sought to "maintain and develop close and friendly contact with the African leadership that will head the Central African states of tomorrow."[68] America trod a delicate path of promoting African independence without compromising its partnership with Britain. But, as US politics evolved, and with the changes in its political leadership (notably, the election of John F Kennedy into office in 1961), its stance on anticolonialism and condemnation of Britain's African policy solidified. Its Secretary of State for Africa pronounced that the "United States should return to our earlier anti-colonization position" and that "America wanted for Africa what Africans wanted for themselves."[69] The desire to create and maintain friendly relations with future African leaders of the region became a significant factor in America's involvement.

American big business took a leading role. As Cohen and Butler both show,[70] RST promoted African advancement and political independence, a philosophy also supported by its parent company, American Metal Company. Harold Hochschild, chair of AMC, and Sir Ronald Prain, chair of RST, were influential in this political maneuvering. It became apparent to Hochschild that European and American investors had accepted the inevitability of African majority rule and were therefore prepared to do "business with new African governments in countries where no race conflicts exist" instead of "dealing with a country in

[66] Butler, "Britain, the United States"; Cohen, *Politics and Economics*, chap. 6.

[67] Office of the Historian, "The Atlantic Conference & Charter, 1941," Milestones in the History of U.S. Foreign Relations, n.d., accessed 6 Sep. 2020, https://history.state.gov/milestones/1937-1945/atlantic-conf.

[68] *FRUS*, 1961–1963, vol. XXI, Africa (Washington, DC, 1995), document 328, "Memorandum from the Department of State Executive Secretary (Battle) to the President's Special Assistant for National Security Affairs (Bundy)" (7 May 1962).

[69] Cohen, *Politics and Economics*, 149.

[70] Cohen, *Politics and Economics and Butler*, "Big Business and British Decolonization".

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which a 4 percent white minority clings to mastery over an increasingly resentful 96 percent African majority." Meanwhile, Prain's "contact with African nationalist leaders and disillusionment with the UFP was an open secret."[71] Prain also believed that the Federation had failed to meet its objectives, especially the much-touted racial partnership. Thus, he argued, "if Federal politicians could not build bridges to 'emergent' Africans, then business must try."[72] The two were also connected to influential figures in the United Kingdom and North America. Prain was in close contact with Walter Monckton of the 1960 Monckton Commission, which recommended the secession of Nyasaland from the Federation. Hochschild brought Kenneth Kaunda, the future president of independent Zambia, and Dr. Hastings Kamuzu Banda, the first president of the Republic of Malawi, to Washington to meet President Kennedy.

Whereas America and big business actively intervened in the political shift in Northern Rhodesia, their approach played out differently in Southern Rhodesia. There was disinterest in the political movements happening in Southern Rhodesia until the Unilateral Declaration of Independence in 1965. For instance, while representatives of American big business in Northern Rhodesia were introducing African nationalist leaders to the US government, nationalist leaders from Southern Rhodesia, like Joshua Nkomo, suffered racial segregation when they visited the United States between the end of 1959 and 1962 to appeal for support in the struggle for independence. Indeed, some US State Department officials, including Vice President Richard Nixon, were aloof regarding the aspirations and concerns of Black nationalists.[73] In another instance, the United States opposed a United Nations vote in 1962 to investigate Southern Rhodesia's racial and discriminatory internal policies.[74] America's approach to Southern Rhodesian issues raises questions about its policy and motives to support decolonization in the region. Reasons for US (in)actions south of the Zambezi could be intelligible if the following factors are considered.

First, the existence of a self-governing settler state in Southern Rhodesia required careful and delicate handling. This was particularly significant during the Cold War and the Congo Crisis. Seen by some American officials as "eminently suitable for white settlement and development," Southern Rhodesia was a necessary bulwark against communism in the region and a viable refuge for whites fleeing from violence in

[71] *FRUS*, 1961–1963, document 328, 138–39.
[72] Butler, "Business and British Decolonisation," 468.
[73] DeRoche, *Black, White and Chrome*, 14.
[74] DeRoche, "Establishing the Centrality of Race," 224.

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Congo.[75] These developments emboldened the idea of delaying decolonization, and Southern Rhodesia fell perfectly into the grand scheme of the white redoubt in southern Africa.[76] Within this broader idea of the white redoubt, America had to be wary of, as President Eisenhower remarked, "supporting the rights of colonized people to achieve independence, while not pushing so hard for decolonization as to irritate European [white] allies."[77] It was easier to push hard for decolonization north of the Zambezi because America shared a common goal with Britain as regards African political independence. The case was different south of the Zambezi, where the semi-autonomous Southern Rhodesian settler state was at loggerheads with Britain, demanding white minority independence over majority rule.

Miscalculating and mishandling the Rhodesian situation would have been detrimental to US interests, which is the second factor. State Department officials rated chrome as "America's number one interest in Rhodesia" because it was strategic to America's armament industry.[78] For example, in 1959 the United States imported over 450,000 tonnes of chromite from Southern Rhodesia and relied on this source more than any other.[79] It was, therefore, strategic for America to go along with the status quo to protect its top interest. America's options were also limited because outside Southern Rhodesia, the only other source of chrome was the Soviet Union, and in the context of the Cold War, that alternative was inconceivable. Lastly, the share of American business investments in Southern Rhodesia was relatively small, even dwarfed by RST investment alone on the Copperbelt. As a result, it was not as vested in the political groundswell in the south compared with the north. As long as its chrome interests were secure, the United States could afford to ignore African nationalists' quest for independence in Southern Rhodesia.

Even more, militant African nationalism blossomed late in Southern Rhodesia compared with the north; hence, in America's estimation, the Cold War and communist threats (equated with African nationalism) were negligible in Rhodesia, at least until after UDI.[80] Overall, the Federation in general, and Southern Rhodesia in particular, ranked lower politically than Congo, South Africa, Angola, and Ghana. This situation quickly changed, however, when the Federation dissolved in 1963 because of the failure of racial partnership and the rapid growth of

[75] DeRoche, 212.
[76] De Meneses and McNamara, *White Redoubt*.
[77] DeRoche, "Frances Bolton," 320; "Establishing the Centrality of Race," 212.
[78] DeRoche, "Frances Bolton," 320.
[79] DeRoche, *Black, White and Chrome*, 23.
[80] Watts, *Rhodesia's Unilateral Declaration*, 323.

African nationalism in Northern Rhodesia and Nyasaland. The 1959 riots in Nyasaland caused a state of emergency that necessitated the appointment of the Monckton Commission (1960) to look into the Federation's future. Based on the commission's recommendations, Britain conceded to majority rule in the northern territories in 1963, effectively ending the Federation while paving the way for Zambia's and Malawi's independence in 1964. Southern Rhodesia continued under white minority rule that unilaterally declared independence from Britain in 1965.

Conclusion

This article has examined the economic relationship between British Central Africa and the United States by tracing American regional investments and interests. It demonstrated how this relationship was shaped and influenced by several global factors encompassing the burgeoning American global hegemony, Britain's post–World War II convertibility crisis and retreat from Empire, and the Cold War. All these forces directly influenced the forging of a relationship between a British dependency and a global superpower.

In taking this discussion as a whole, what emerges is that the role of American big business in Central Africa was tenuous. Rather than bifurcating its position as either pro–African nationalism, as was the case with Sir Ronald Prain and RST in Zambia, or pro-Federation, as did Anglo-American with the UFP and Roy Welensky, big business's role was a complex affair.[81] This inconsistency is apparent if one pays attention to US companies and the government's approach to Central Africa. Its role was very different in the settler context of Southern Rhodesia than it was north of the Zambezi. Indeed, while some businesses, diplomats, and State Department officials understood and saw the need to intervene in political shifts, the president's and Secretary of State's offices, for a moment, paid little attention to the anticolonial struggles in Southern Rhodesia. Instead, American business and government, it seems, went along with the settler state's rule right until the end. The United States may not have supported the settler regime south of the Zambezi. Still, not showing overt support to African nationalists in Southern Rhodesia allowed settler colonialism to consolidate against Africans without the international chastisement that would have emerged if the United States had condemned it.

This approach shows that, contrary to claims of earlier scholarship, there was no one US policy regarding Central Africa. This argument

[81] Butler, "Business and British Decolonisation"; Cohen, "Business and Decolonisation."

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foregrounds and buttresses Michel's contention for a later period that there was "tension and interaction between pragmatism and morality in US foreign policy during the 1960s and 1970s . . . the pragmatic and moral approaches [were]fluid and varied according to the respective occupants of the Oval Office as well as the changing global and domestic milieu which confronted them."[82] This article has argued that this fluid and tenuous US policy toward Rhodesia has its historicity in the federal years when America took a keen interest in British Central Africa.

In terms of investments, while America's interests drove its involvement in British Central Africa, the Federation also actively lured US investment in the territory. The Federation implemented a friendly investment climate that deliberately targeted American capital. This perspective sheds light on how the Federation framed its external affairs to benefit the internal economic development of the country. Highlighting this aspect also casts the Federation as an active player rather than a pawn or an appendage of the global powers' machinations in the Cold War's international politics.

The article has also shown how US financial support overseas, foreign investment schemes, and private capital were crucial to its foreign economic relations. The United States supported American private investments in foreign countries as part of its broader foreign policy. In addition, the convergence of interests between American businesses and the White House helped entrench global superpower status for the United States. Encouraging the participation of American private capital to support the development of Central Africa would strengthen the sterling area, which was in America's national interest.[83] A fortified sterling area meant a reduction in, if not an end to, the burden placed on the United States through the Marshall Aid Plan to facilitate Britain's postwar economic recovery. But even more, a strong sterling area would be a shot in the arm for Britain in a likely economic contest in the region and Europe from the Communist Soviet Union.

At another level, an economically strong Britain would fare better in decolonization. This explanation accounts for Britain's acquiescence to US hegemony in the postwar years (despite its implications for the United Kingdom, vis-a-vis the convertibility crisis). In this respect, the article corroborates Newton's finding that Britain needed a huge American foreign investment program in the developing countries of the sterling area to alleviate the dollar crisis and facilitate "a return to, and then an expansion of, world trade."[84] Thus, the negotiations and

[82] Michel, "United States Relations," 16.
[83] Butler, "Britain, the United States."
[84] Newton, "Sterling Crisis of 1947," 404.

compromises reached during Britain's sterling convertibility crisis in the postwar period shaped America's entry into and relationship with British Central Africa.

America's relationship with the region, particularly Southern Rhodesia, changed significantly after the breakup of the Federation in 1963 and the proclamation of a UDI in 1965. Led by the Rhodesian Front under the premiership of Ian Douglas Smith, Rhodesia considered Britain's decolonization process flawed and dangerous to white existence. Rhodesians also felt the emerging militant African nationalism (in response to UDI) was not grounded in genuine political grievances but rather an extension of communism into the region. They characterized African nationalism as communism and gained sympathy during Cold War politics and isolation owing to economic sanctions in the aftermath of the UDI. Therefore, "the anti-communism of the Rhodesians, whether genuine or false propaganda disseminated to garner support, resonated across America. The often-repeated claim that Salisbury was a bastion of embattled Western civilization under siege from communist-backed guerrilla movements" became a pivotal factor that informed US relations with Rhodesia.[85] Scholars sufficiently canvassed the point, and it is beyond this article's scope.

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[85] Michel, "United States Relations," 3.

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