

# The Portugal/Rhodesia Joint Trade and Economic Liaison Committee 1965-1970

Robert Davies

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A set of documents referring to the activities of the Portugal/Rhodesia Joint Trade and Economic Liaison Committee during the period 1965 to 1970 was recently studied by the 'Centro de Estudos Africanos'. These documents, almost all marked 'secret', throw an interesting sidelight on the relationship between Portuguese colonialism and the settler racist regime in Rhodesia. Fundamentally, what they show is that the Portuguese colonial regime was involved not just in helping to sustain the Rhodesian regime economically after UDI (Unilateral Declararion of Independence), but that it was also involved before UDI in the creation of the conditions which made UDI a feasible option for the settler regime.

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The Portugal/Rhodesia Joint Trade and Economic Liaison Committee was a committee consisting of representatives of the Rhodesian and Portuguese colonial regimes. Its first meeting was held on 31st May 1965 and its role was to promote an **expansion of trade between Rhodesia and Por-**

**tuguese territories'.<sup>(1)</sup>** The formation of the Committee was preceded by a series of discussions begun towards the end of 1964 on Rhodesia's initiative and by the signing of a Trade Agreement in February 1965.

The timing of these moves was of course, no accident. By the end of 1964 the settler regime in Rhodesia was clearly preparing for UDI. It realized that UDI would be met by the imposition of sanctions which would oblige Rhodesia to find alternative outlets for its exports, and sources for its imports. One obvious possibility was an expansion of trade with Portugal and Portuguese-ruled Angola and Mozambique. Tables 1 and 2 show that at the beginning of the period the volume of visible trade (i.e. trade of goods) between Rhodesia and Angola and Portugal in particular was very modest indeed. It was not that trade with these countries could in any way substitute for markets and suppliers in developed capitalist countries. Ways would have to be found to continue this trade despite sanctions, and, indeed, as we now know ways were found. Nevertheless, under the circumstances it was clear that an expansion of trade with Portugal and Portuguese ruled territories would be beneficial to the regime and help to make UDI a more feasible proposition.

Accordingly, towards the end of 1964 approaches were made to the Portuguese consulate in Salisbury seeking the negotiation of a new trade agreement. The first result was the convening of an inter-governmental conference in Salisbury in February 1965. Although this was presented publicly as a purely technical conference, the political strategic background was clear to all participants. Indeed it was emphasized by Ian Smith in his secret opening address to delegates when he declared:

**'Rhodesia has had the good fortune to be blessed with kindly and helpful neighbours... In these difficult times – difficult for us who are not prepared to abandon principles and standards, nor to shed responsibilities so as to avoid facing an ill informed and irresponsible clamour – we in Rhodesia have taken much encouragement from the steadfast stand made by Portugal. Just as Portugal pioneered the bringing of**

(1) Portugal/Rhodesia Joint Trade and Economic Liaison Committee: Report of the Committee on its first meeting held in Lourenço Marques from 31st of May to 3rd June, 1965. (Confidential).

**civilization to Africa, so today she stands in the forefront of the battle to prevent a return to conditions which can only be described as the very negation of freedom and democracy... I would say, have no fear, we in Rhodesia will not fail or falter. We will resist until the justness of our cause is acknowledged by the rest of the world and of course this must be sooner or later. Those of like mind may rest assured that Rhodesia will always be a staunch ally so long as our objectives remain the same' (2).**

As a result of the Conference two concrete decisions were taken. One was to sign a new trade agreement, the other to set up the Joint Trade and Economic Liaison Committee to monitor developing trade links and negotiate the resolution of any problems. Under the February agreement each of the parties accorded each other '**most favoured nation**' status, which is to say they agreed to charge each other import duties no higher than the lowest duty charged to any other country.

With the Unilateral Declaration of Independence in November 1965 and the subsequent imposition of sanctions, these relations took on a new form. At the second meeting of the Joint Trade and Economic Liaison Committee held in Luanda in February 1966 ways were discussed to secretly grant Rhodesian exporters even more favourable terms than those granted to other countries with whom Portugal had '**most favoured nation**' agreement. Needless to say this amounted to a violation of '**most favoured nation**' agreements which Portugal had with other countries.

One scheme discussed for granting special concessions to Rhodesia was the following:

- 1. The Rhodesian government will grant to the exporters of its country an exportation subsidy, the amount corresponding to the reduction of the customs duties in Portugal;**
- 2. The traders exporting from Rhodesia would expedite the stipulated products, deducing from the normal prices an amount corresponding to the subvention which would be granted to them by Rhodesian government;**

(2) Portugal/Rhodesia Cooperation Discussions, Salisbury 17th to 24th February, 1965: Record of Proceedings (secret) — Address by the Hon. I.D. Smith, Prime Minister of Rhodesia, p. 3.

3. **For the products of Rhodesian origin, being imported in Portugal, would be paid a minimum duty-rate under normal conditions;**

4. **The provincial governments of Angola and Mozambique, and the central government, according to the case, would restitute to the Rhodesian government the amount corresponding to the subsidy granted to the Rhodesian export traders referred to above.'**<sup>(3)</sup>

Another proposal discussed was for Portugal to grant special licences to Rhodesian exporters allowing them to pay only a proportion of the minimum tariff. It was this proposal, also illegal and a clear violation of **'most favoured nation'** agreements between Portugal and other countries, which was eventually adopted. As a result, for a specified range of commodities Rhodesian exporters received a reduction of between 25% and 50% of the official minimum tariff.<sup>(4)</sup> In return Portugal was given a position in respect of Rhodesian tariffs more favourable than Britain had had prior to UDI.<sup>(5)</sup>

This arrangement basically governed trade relations between the two parties throughout the period referred to in the documents studied i.e. until 1970. Subsequent meetings of the Joint Trade and Economic Liaison Committee (there were 8 such meetings up to January 1970) were mainly concerned with negotiating particular reductions in duties for particular products.

## RESULTS

Opening the 8th meeting of the committee in January 1970, the head of the Rhodesian Delegation commented **'that judging from the statistics of trade between Rhodesia and the Portuguese area, the meetings were having the desired effect of assisting in promoting trade'**.<sup>(6)</sup> This is indeed borne out by an examination of the data summarized in Tables 1 and 2. Table 1 shows that over the 5 year period 1965-1969

(3) 2ª Reunião do Comité Luso-Rodesiano para Assuntos Económicos e Comerciais, Luanda, 22-24 de Fevereiro de 1966 (Secreto), p. 2.

(4) Idem

(5) Ibid.: appendices.

(6) Portugal/Rhodesia Joint Trade and Economic Liaison Committee: Eighth Meeting, Salisbury, January 1970 (secret), p. 2.

TABLE 1 — RHODESIAN EXPORT (\$000)

	1965	1966	1967	1968	1969	1969 as multiple of 1965
1. To Portugal	400	1,544	3,286	4,340	4,295	10 x
2. To Mozambique	2,398	5,268	3,517	4,923	6,207	2.6x
3. To Angola	388	410	537	630	883	2.3x
4. Total						
'Portuguese area'	3,186	7,222	7,340	9,893	11,386	3.4x
5. Total Exports	330,000	210,000	187,812	183,196	220,120	
6. As % of 5.	0.96%	3.44%	3.91%	5.40%	5.17%	

TABLE 2 — RHODESIAN IMPORTS (\$000)

	1965	1966	1967	1968	1969	1969 as multiple of 1965
1. From Portugal	308	802	1,331	1,787	1,188	3.9 x
2. From Mozambique	2,742	2,240	2,441	2,734	2,542	0.92x
3. From Angola	118	108	247	437	409	3.5 x
4. Total						
'Portuguese area'	3,168	3,150	4,018	4,958	4,140	1.3 x
5. total Imports	240,000	170,000	185,776	205,470	198,613	
6. As % of 5.	1.32%	1.85%	2.16%	2.41%	2.08%	

(Compiled from: Summary of Trade between Rhodesia and the Portuguese Area [Secret], Salisbury

Rhodesian exports to Portugal and Portuguese controlled territories increased nearly three and a half times to bring exports to these territories to over 5% of total Rhodesian exports compared to less than 1% in 1965. Particularly notable is the increase in exports to Portugal which expanded 10 fold over the period.

In respect of imports the position as Table 2 shows was rather less dramatic. This no doubt reflects to considerable extent the underdevelopment of Portugal and Portuguese ruled territories and their consequent inability to supply the types of capital equipment and materials which Rhodesia needed to import to keep its economy going. Nevertheless the figures do show an appreciable growth in Rhodesian imports from these territories.

What the material studied shows is one relatively small way in which the Portuguese fascist regime was prepared to assist the Rhodesian racist regime before and after UDI. The Portuguese regime was prepared to illegally violate trade agreements with other countries in order to provide Rhodesian exporters with special concessions in respect of import duties. As a result it made a modest though significant contribution to the Rhodesian regime's attempts to maintain itself economically. This clearly was not the only or most significant way in which the Portuguese colonial regime assisted its Rhodesian counterpart. Its role in collaboration with multinational oil companies in ensuring that Rhodesia received oil despite the Beira blockade etc. had already been documented in the 'Oilgate' exposé. (7) So too have various other aspects of military, political and economic links. Perhaps in the future these will be written up in a comprehensive history of the period, in which case the role of the Portugal/Rhodesia Joint Trade and Economic Liaison Committee will be able to be seen in its correct historical perspective.

(7) See Martin Bailey: **Shell & B.P. in South Africa** (London Anti-Apartheid Movement and Haslemere Group, 1977), also articles by the same author in the **New Statesman** 1977 and 1978.