



## United States Policy Toward Rhodesia

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## United States Policy Toward Rhodesia

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# UNITED STATES POLICY TOWARD RHODESIA

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON AFRICA  
OF THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
NINETY-FIFTH CONGRESS  
FIRST SESSION

—————  
JUNE 8, 1977  
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# UNITED STATES POLICY TOWARD RHODESIA

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WEDNESDAY, JUNE 8, 1977

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON AFRICA,  
*Washington, D.C.*

The subcommittee met at 2:03 p.m. in room 2200, Rayburn House Office Building, Hon. Charles C. Diggs, Jr. (chairman of the subcommittee), presiding.

Mr. Diggs. The subcommittee will come to order.

The new Anglo-American initiative to bring about a negotiated settlement in Southern Rhodesia has made some significant progress. But the recent invasion and 5-day occupation of Mozambique by Rhodesian Forces threatens these peace efforts and has the potential of internationalizing the armed struggle in southern Africa.

This morning the subcommittee as part of its continuing oversight functions will examine U.S. policy toward Southern Rhodesia.

During the course of our deliberations we hope to hear a status report on the British-American diplomatic activity following a decision not to resume the Geneva negotiations.

We hope to get some assessment of U.S. compliance with Public Law 95-12, which is to halt the importation of Rhodesian chrome and other strategic materials and the implementation of the Security Council Resolution 409 of May 27, which prohibits the transfer and use of funds from Rhodesia in the territories of U.N. member states.

We also hope to examine the report of the investigation of the alleged violations of sanctions by Mobil Oil's subsidiary in South Africa and the implications of Lonhro's suit against 29 Western oil companies which was filed in London at the end of May.

We want also to discuss the present climate inside Southern Rhodesia, particularly the state of the economy, the evolving political situation and many other related matters such as repressive actions against nationalists and other dissidents.

We hope also to raise questions about the alleged recruitment and enlistment of American nationals into the Rhodesian Army.

Finally we hope to analyze the impact of the changing events in other parts of southern Africa on the situation in Rhodesia.

We are privileged to have with us this afternoon Hon. William Edmondson, Deputy Assistant Secretary for African Affairs at the Department of State, accompanied by John S. Baker, Deputy Assistant Secretary for International Organization and Michael J. Matheson, Assistant Legal Adviser for Africa, both of whom are from the Department of State.

We expect to hear from Mr. Stanley Sommerfield of the Office of Foreign Assets Control of the Department of the Treasury.

Finally, we anticipate testimony from the former Prime Minister of Southern Rhodesia, Mr. Garfield Todd, who was a key adviser to one of the nationalist leaders; namely, Mr. Joshua Nkomo, during the Geneva negotiations.

First, we are going to call on Secretary Edmondson, who has submitted a prepared statement to the subcommittee. You may proceed in any fashion that you wish.

**STATEMENT OF WILLIAM B. EDMONDSON, DEPUTY ASSISTANT  
SECRETARY OF STATE FOR AFRICAN AFFAIRS**

Mr. EDMONDSON. Do you wish me to read the statement?

Mr. DIGGS. I will leave that up to you.

Mr. EDMONDSON. Perhaps I might summarize it and you might put it in the record.

Mr. DIGGS. All right. Without objection the prepared statement will be put in the record and the gentleman may proceed.

Mr. EDMONDSON. The first round of consultations, consultative talks, conducted by the British and the American representatives with the various parties in the Rhodesian conflict, the Zimbabwe nationalists and the Government, has been completed. The aim has been to find a basis for a constitution and the necessary transitional arrangements to bring into being an independent Zimbabwe in 1978.

The talks so far have been reasonably encouraging. Hard negotiating positions have been advanced. But there has been some flexibility evident and all of the parties have accepted the group and its procedure—the approach it is taking in trying to find a basis for a constitution rather than going immediately into a conference.

There is still need to develop the overall components of a settlement which will meet the African demands for majority rule and will also contain provisions to instill white confidence in their future in an independent Zimbabwe.

We hope to hear more from the parties. They indicated they will be giving us more detail on their positions and have general principles ready for further discussions by the end of this month.

Unfortunately, the fighting continues in Rhodesia. We have made very, very clear that in our view the recent Rhodesian actions threaten to widen the war, to endanger the negotiations and increase the possibility of foreign intervention, whatever their purpose. We have also made clear that we will not help them in any escalation that results from these actions.

We feel very strongly that the best chance for peace is a negotiated end to the violence and a rapid transition to majority rule. We shall press ahead, along with the British, toward this goal.

I will be happy to answer your questions, Mr. Chairman, as will my colleagues.

[Mr. Edmondson's prepared statement follows:]

**PREPARED STATEMENT OF WILLIAM B. EDMONDSON, DEPUTY ASSISTANT  
SECRETARY OF STATE FOR AFRICAN AFFAIRS**

**RHODESIAN SITUATION**

Mr. Chairman, I am pleased to be here today to discuss with you the situation in Rhodesia and the progress of the negotiations which we hope will lead to a peaceful settlement of the territory's constitutional problems and bring a new Zimbabwe into the community of nations as a majority-ruled independent state.

The first round of meetings in southern Africa between the United Kingdom Consultative Group on Rhodesia, led by Deputy Foreign Secretary John Graham, and the principal parties to the Rhodesian dispute has been completed. Stephen Low, our Ambassador in Zambia, has been traveling and working closely with Mr. Graham's party, participating in practically all of the meetings. The aim of the Consultative Group is to establish with the relevant parties, that is the four nationalist groups and the Smith regime, the basis for a constitution for an independent Zimbabwe and the necessary transitional arrangements to move that country from minority to majority rule.

We share with Great Britain the belief that a peaceful transition to independence can be accomplished within 1978. We also share with the United Kingdom the understanding that any settlement must be predicated upon three fundamental principles: one, that the new government must be selected on the basis of a democratic election; two, that there should be universal adult suffrage in that election; and three, that the constitution of the new state should include a bill of rights that is legally enforceable by an independent judicial system.

The initial talks have been reasonably encouraging. Much work remains to be done, however, and it serves no one's interest to attempt to minimize the hostility, suspicion, and fundamentally differing approaches to the problem which separate the Smith regime from the African nationalists. Nevertheless, it is worthy of note that all the parties have accepted the Consultative Group's method of operation as an acceptable means of carrying out the negotiations.

As could be expected, most of the parties have put forth their maximum negotiating positions in these initial encounters. However, beyond the initial hardline positions there are indications of some flexibility. The possibility exists that a settlement can be worked out which will meet the legitimate African demands for rapid and complete transition to majority rule, while at the same time, encompassing provisions to instill in the white population sufficient confidence in their future well-being to encourage them to accept and remain in a non-racial Zimbabwe.

Mr. Graham has now returned to London to participate in the Commonwealth Conference. Over the next month we will consult closely with the British and maintain contact with the principal parties to obtain their further ideas and specific constitutional proposals. We expect that by the end of this month the Consultative Group will have formulated the general principles of the constitution and a program of transition for further discussion with the principal parties.

While the negotiating effort can and must continue, the level of fighting is unfortunately also increasing. Recently, the Rhodesian regime has taken several steps that threaten to see the conflict widened rather than reduced. We have vigorously opposed such moves and have made our objections known in no uncertain terms. Specifically, by means of representations made in Cape Town, we conveyed to the Smith regime our strongest warning that an implementation of Mr. Smith's threat of "pre-emptive raids" into Zambia would clearly damage the possibilities for a negotiated settlement. Similarly, when Rhodesian forces crossed the border into Botswana, we made clear that whatever military advantage the Smith regime sought for itself in the short run would be lost in the long run by the blow to the cause of peace brought about by attacking a country which is nearly defenseless.

We cannot definitively assess the motive for such actions, but if it is to provoke a larger conflict with the aim of drawing direct foreign intervention and a Western compensatory response favorable to the Rhodesians, it will fail. Our expressions of concern and indignation over the recent deep penetration of Rhodesian troops into Mozambique, the first of this type in 1977, stressed that such action not only threatens the prospects for peaceful negotiation but encourages those who are prepared to see further escalation of the violence through the introduction of extracontinental forces. In each case we have expressed our view that an expansion of the war would help no one, and have made it clear that Mr. Smith could expect no help against the escalation resulting from his actions. We believe that the best chance for peace in the area will come through a negotiated end to violence and the resulting peaceful transition to majority rule and independence. We shall continue to press ahead, along with the British, toward this goal.

I shall be pleased to answer your questions, as will Mr. Baker and Mr. Matheson.

Mr. Diggs. Thank you very much, Mr. Secretary.

I would like to get your comments about the recent Rhodesian hot pursuit raid into Mozambique. As you know, that is the third of these incursions since last August. It is alleged that some 23 nationals were killed in this latest incident. Could you tell us what information you



have on the extent of this raid, the casualty rates and the extent to which Mozambiquan troops as well as Zimbabwean nationalists suffered casualties?

Mr. EDMONDSON. It is difficult to get complete information at this early stage, Mr. Chairman. We are forced to rely largely on press reports. There have been reports of from 28 to 32 nationalist guerrillas killed. These are claims made by the Rhodesian Forces. The Rhodesians have indicated, according to press sources, the death of a Rhodesian airman by accident. We don't know if any of the civilian population were killed. We don't know whether there were any Mozambiquan troops involved in any of the actions.

Mr. DIGGS. Last month, according to the press, President Kaunda declared Zambia to be in a state of war against Southern Rhodesia. How did you interpret this action? Is that a formal state of war? What is the report from our Embassy?

Mr. EDMONDSON. As we understand it, President Kaunda was reacting to warnings that had been received that the Smith regime might undertake preemptive strikes if there were major guerrilla incursions from Zambia. Our understanding is that they have moved a few troops to the borders, that there is a general state of alert and that some antiaircraft weapons have been placed in and around Lusaka.

Mr. DIGGS. According to generally accepted international guidelines, does that kind of activity constitute a state of war? Or was that statement overdrawn by the press?

Mr. EDMONDSON. I would hesitate to say whether his meaning was the same as we would consider a declaration of war. I do not believe it was intended to be a declaration of war.

Mr. DIGGS. The reason I press that is I know many people were perplexed regardless of how they stood on the Crane amendment because it included, as you recall, Zambia and Tanzania along with Angola and Mozambique as the targets for exclusion from the Southern African Special Requirements Fund.

I asked the gentleman from Illinois, Mr. Crane, with whom I have some professional differences but certainly a cordial relationship, why he elected to include Zambia. And he said that it was because he read in the paper that Zambia had declared war against Southern Rhodesia.

I was interested in getting an official Government clarification on how you viewed the declaration which came out of Lusaka, and whether you considered that a formal state of war, because obviously some Members of Congress did. I thought it important to clear that up.

There have been some rumors suggesting that this five-power contact group, which is composed of the United States, Britain, France, Germany, and Canada may not fully support the position of our Government, that is, the strength of the position against apartheid and separate development in South Africa. Our Vice President articulated U.S. Government concerns on this matter in Vienna. I was wondering how you would evaluate that assessment. Is this contact group solid? Are there not varying degrees of support for the American position in those negotiations?

Mr. EDMONDSON. The formal consultations with the members of the contact group, Mr. Chairman, have been with regard to Namibia. With the exception of normal kinds of discussion that go along in

developing operational positions, I would say that there has been very close accord. In effect they have acted as one as a contact group in the negotiations on the subject of Namibia.

Mr. DIGGS. Even though the contact group, as you know, is involved in Namibia negotiations, you really cannot separate these deliberations from pressure for internal change in South Africa itself. There is a very significant interrelationship among Namibia, Rhodesia, and South Africa for that matter. To the extent there may be variances in the degree of the commitment of any of the members of the contact group it may have a bearing on settlement strategy. That is the reason I raised that point within the context of our diplomatic initiatives on Rhodesia.

Mr. EDMONDSON. I feel that the members are very close, Mr. Chairman. I do not have statements with me from the various countries except that I do have one that was made by the Foreign Secretary, the Secretary of Foreign and Commonwealth Affairs of Britain, Dr. Owen, in which he specifically endorsed American policy.

I might quote very briefly. He said:

In this endeavor we are enormously encouraged by the new thrust of the American administration's policy toward the continent, by the United States declared determination to see a society evolve in South Africa in which all people regardless of color can live and work in equality and mutual respect, by their determination to help bring about majority rule through the democratic process in Namibia and Rhodesia.

It goes on. But I think, Mr. Chairman, we consider this a very strong endorsement of our own position.

Mr. DIGGS. The details of the Anglo-American strategy for Rhodesia of course are being held very closely. But I am interested in the time frame. There have been some suggestions that the team will draw up some broad outlines for a constitution in draft legislation. Of course there has to be approval of the legislation not only by the nationalists but also by the Rhodesian Parliament. Then there would be elections held, say in the spring of next year and prior to independence.

This would seem to be the scenario for an independent Zimbabwe. Can this process be accomplished within a year or a year and a half—in other words, before the end of 1978? Is it fair to suggest that we would have an independent Zimbabwe with shared political power and all the other elements our Government and other progressive forces are seeking by the end of next year?

Mr. EDMONDSON. Yes, Mr. Chairman, that is our goal. We believe that it can be accomplished. I would not want to underestimate the difficulties, the suspicion and the hostility that still exist among the parties. But, as I mentioned earlier, we have seen evidence of sufficient flexibility to make us believe it should be possible to bring about an agreement on constitutional arrangements and transitional arrangements to bring an independent Zimbabwe into being in 1978.

Mr. DIGGS. As I indicated, I know that the details of this exercise are being held closely. I know there are delicate differences to be overcome. But generally would you think that an acceptable settlement must include universal suffrage as opposed to some kind of qualified franchise? I am going to touch on about four principles that you discuss.

Mr. EDMONDSON. As I mentioned in the prepared statement, Mr. Chairman, we and the United Kingdom have agreed that a new con-

stitution in order to attain acceptability would have to contain provisions for democratic elections, for universal suffrage and for a legally enforceable bill of rights.

Mr. DIGGS. Those guidelines would not require any educational or property qualifications for voting?

Mr. EDMONDSON. It is the position of the United States in the process of these consultations that it is not for us to try to dictate a constitution to any of the parties or all of the parties but to try to bring them together within the general framework of these principles. While there will have to be some give and take in the negotiations and we do hope to get proposals from all of them, we believe that such compromise is possible. I would not wish to speculate on the exact details of what the constitutional provisions would be.

Mr. DIGGS. I understand. I just wanted to get some idea of how you were perceiving the settlement, since obviously there are certain principles that have to be included, even though the details would have to be worked out.

You do not hear too much these days, Mr. Secretary, about the front line states and the role they are playing in these diplomatic initiatives. I wonder if you might give us some information about that.

Mr. EDMONDSON. The process of negotiations and consultations are primarily with the principal parties; that is, the various Rhodesian or Zimbabwe elements. The front line states are indeed willing to be helpful and supportive of the process. The United States and Britain have included briefings of the front line states from time to time as to how the consultation is going on.

Mr. DIGGS. Are they less active? Has there been any change in the role of the front line states as of June 1977 compared to what it was 6 months ago?

Mr. EDMONDSON. Insofar as they participated as observers in the Geneva conference in the consultations and negotiations that were going on last fall for the interim government, they have been less directly involved by the nature of the present consultative talks. But I am not sure it would be correct to say there has been any basic change in the position.

Mr. DIGGS. In connection with the sanctions, Security Council Resolution 409 specifically, it is quite commendable that the administration is supporting this resolution which prohibits the transfer of funds to U.N. member states from Rhodesia. But I have asked and others have asked for the sanction regulations to be revised to increase U.S. subsidiaries in third countries, this is what we did in implementing sanctions against Cuba. I wonder if you would tell us the status and prospects of any action that would close this rather large loophole.

Mr. EDMONDSON. The administration is in the midst of a review of steps which might be taken to strengthen sanctions, Mr. Chairman. That subject is one of the topics under review at the present time.

Mr. DIGGS. It has been under review for some time now. What are the elements that appear to be giving you difficulty in coming to some kind of conclusion?

Mr. EDMONDSON. I think one element, Mr. Chairman, there is always the problem of applying the laws of our country extraterritorially in those countries where the subsidiaries may indeed be persons in a legal sense in a third country. So you have to examine

the question of whether there are means of controlling through licensing procedures trade diversions of U.S. goods. There are various highly technical areas that have to be gone into to try to make this more effective.

Mr. DIGGS. Maybe Mr. Matheson can give more explicit answers since these are legal problems. What is the status of decisionmaking on this matter?

**STATEMENT OF MICHAEL J. MATHESON, ASSISTANT LEGAL  
ADVISER FOR AFRICA, DEPARTMENT OF STATE**

Mr. MATHESON. The question, Mr. Chairman, is not so much, I think, one of legal authority to take such steps as it is the practicality and the enforceability and desirability of various alternative ways of dealing with this problem.

Mr. DIGGS. Do you feel that legally the Department has all the weapons it needs? Is that what you are saying?

Mr. MATHESON. There are several possibilities. One theoretical possibility is to expand U.N. sanctions in this area, which then could be enforced without additional legislation under the U.N. Participation Act. This is one which we have considered.

Mr. DIGGS. What about the Cuban precedent? Is that not applicable to this situation?

Mr. MATHESON. In terms of legal authority those regulations were issued under the Trading With the Enemy Act. So then the question would be whether the current declarations of national emergency under that act would be applicable to the southern Africa situation.

Mr. DIGGS. You are saying that there is some legal basis for implementing one of the options we want to pursue? Is that not correct? That is what I gather from what you are saying. You haven't said flatly that there is no legal remedy or that we need to change the law, or we need some executive directive to expand sanctions in this manner. If that is not the case I would like the Department to provide us with all of the options that you say we have, any one of which can be exercised in order to fill this big loophole.

Mr. MATHESON. We certainly can provide a statement.

Mr. DIGGS. Without objection the record will be left open at this point so that we can receive a response from the Department.

[The information supplied by the State Department follows.]

**STATEMENT OF LEGAL BASIS FOR APPLICATION OF U.S. RHODESIAN SANCTIONS  
REGULATIONS**

The following is a brief statement of the possible legal basis for the application of the present U.S. Rhodesian Sanctions Regulations to South African subsidiaries of U.S. companies. As you know, these Regulations presently do not apply to such subsidiaries.

Section 5 of the U.N. Participation Act (22 U.S.C. 287) authorizes the President to enforce mandatory economic sanctions imposed by the U.N. Security Council under Article 41 of the Charter, including the authority to "investigate, regulate, or prohibit, in whole or in part" economic relations between foreign countries or foreign nationals and "any person subject to the jurisdiction" of the United States or "involving any property subject to the jurisdiction of the United States." The U.N. sanctions imposed against Rhodesia by the Security Council have been enforced in the U.S. through this legislation, specifically by Presidential Executive Orders directing federal agencies to issue regulations enforcing various aspects of the sanctions.

The current Rhodesian Sanctions Regulations of the Treasury Department (which enforce the present U.N. sanctions resolutions with respect to various aspects of trade and financial transactions) apply to U.S. citizens or residents, to persons actually in the U.S., to corporations organized under U.S. law, and to business organizations owned or controlled by any of the above and organized under the laws of Rhodesia or having their principal place of business in Rhodesia. The regulations do not otherwise extend to business organizations organized under the laws of third countries, even though they may be owned or controlled by U.S. parents.

However, the U.N. Participation Act provides a legal basis for extending the regulations to all corporations in South Africa owned or controlled by U.S. nationals. This could be accomplished by amendment of the Rhodesian Sanctions Regulations by the Secretary of the Treasury.

That such U.S.-owned or controlled foreign corporations may be treated as subject to the jurisdiction of the United States is shown by our practice under the Trading With the Enemy Act (50 U.S.C. App. 5). That Act has been applied to regulate transactions with Cuba and Asian Communist countries under the continuing period of "national emergency" declared by the President at the time of the Korean conflict, and the application of certain of these regulations to foreign corporations owned or controlled by U.S. nationals has been upheld by the courts.

In short, there is potential legal authority under the U.N. Participation Act for the application of the Rhodesian Sanctions Regulations to South African subsidiaries of U.S. companies. The desirability and effectiveness of doing so are, of course, separate questions. These questions are presently under active review within the U.S. Government. We would, of course, need to consult with U.K. and other Members of the Security Council before proceeding with any multi-lateral initiative in this area.

Mr. DIGGS. How long will it take to get that response?

Mr. MATHESON. I wouldn't think it would take very long. As I understand it, you are focusing on what possible legal authority there would be for such actions if we decided it would be desirable to do so?

Mr. DIGGS. That is correct. The matter of taking action obviously is not within your purview. That would be in the purview of other elements within the Department.

Let us talk a minute, Mr. Secretary, about mercenaries. There are continuing allegations, as you know, about American citizens fighting with the Rhodesian Army. I have seen reports and I am sure you have seen reports that talk about 400 to 1,500. I wonder if this is the object of a continuing investigation by the State Department and by the Justice Department.

Mr. EDMONDSON. We refer any allegations that we receive to the Justice Department for investigation. Presumably they can best answer for specific cases.

Mr. DIGGS. I am sure you have in some way kept track of the investigation.

Mr. EDMONDSON. We have had no report from them, Mr. Chairman.

Mr. DIGGS. Have you asked for any report on these matters? In view of the broad foreign policy implications, I would be surprised if you were not pressing for some kind of report on an investigation of U.S. mercenary activity in southern Rhodesia.

Mr. EDMONDSON. We would hope to hear from the Department when it is available, a report of their investigation.

Mr. DIGGS. Could I ask you to specifically ask the Justice Department to report on those items for investigation that you have referred them to?

Mr. EDMONDSON. Yes, Mr. Chairman.

Mr. DIGGS. Could I ask you further to report to the committee your findings on an interim basis?

[The information supplied by the State Department follows:]

The Justice Department has indicated that it prefers to respond directly to questions about ongoing criminal investigations. We have therefore asked Justice to respond directly to your request for a report on investigations of alleged recruitment of U.S. citizens for service in the Rhodesian armed forces.

[The following letter was subsequently received for the record.]

DEPARTMENT OF JUSTICE,  
Washington, September 13, 1977.

HON. CHARLES C. DIGGS, JR.,  
Chairman, Subcommittee on Africa,  
Committee on International Relations,  
House of Representatives,  
Washington, D.C.

DEAR MR. CHAIRMAN: By letter dated August 15, 1977, Mr. William B. Edmondson, Deputy Assistant Secretary for African Affairs, Department of State, forwarded to me your request for a report to the Committee on International Relations concerning the results of the investigations by the Department of Justice into alleged recruitment of individuals within the United States for service in the armed forces of Rhodesia. Your request was made to Mr. Edmondson during his appearance before the Subcommittee on Africa on June 8, 1977.

Our investigations have been predicated on alleged violations of 18 U.S.C. §§ 959(a) (enlistment in or recruitment for a foreign army from within the United States), 960 (setting on foot a military expedition or enterprise from within the United States), 958 (accepting and exercising a commission in a foreign army from within the United States), 951 (acting as an agent of a foreign government without prior notification to the Secretary of State), and 22 U.S.C. §§ 611-21 (Foreign Agents Registration Act). You should note that these statutes apply only when the prohibited acts are done within the United States and that, in general, it is not unlawful for an individual in the United States to leave the country with the intent to enlist abroad in a foreign army, *see Wilborg v. United States*, 163 U.S. 632 (1896), or for an individual in the United States to provide information concerning enlistment in a foreign army so long as that individual does so on his own initiative and not on behalf of a foreign principal, *see* 22 U.S.C. § 611.

Since November 1975, twenty-two individuals and organizations have been investigated based on allegations that they have enlisted as or recruited mercenaries to serve in Rhodesia. With respect to alleged recruiters, these investigations have shown in each such instance that at most the alleged recruiters were merely conveying, usually for a price, information which they had gathered concerning the means of enlistment in the Rhodesian army. With respect to alleged enlistees, the investigations have shown that while individuals who actually enlisted may have received information within the United States as to the means of enlistment, the actual enlistments occurred in Rhodesia and not in the United States. Furthermore, the investigations produced no evidence that such individuals gave or received any promises regarding enlistment while within the United States as is necessary to constitute a violation of United States law, *see Gayon v. McCarthy*, 252 U.S. 171 (1920).

The Federal Bureau of Investigation is and had been under continuing instructions from this Division to conduct appropriate investigations of every allegation involving possible illegal enlistment or recruitment within the United States. Instances of recruitment or enlistment which come to our attention in the future, therefore, will likewise be investigated, and if there is indicated a violation of federal law, appropriate prosecutive action will be taken.

If I can be of any further assistance, please contact me.

Very truly yours,

BENJAMIN R. CIVILETTI,  
Assistant Attorney General,  
Criminal Division.  
(By Robert L. Keuch,  
Deputy Assistant Attorney General).

Mr. Diggs. Speaking also of mercenaries, it was reported that some of these American mercenaries defected and escaped from Rhodesia and in at least one instance a soldier is supposed to have gone to Zambia. Do you have any knowledge about this individual at all?

Mr. EDMONDSON. I am afraid I do not, sir, I would have to supply it for the record.

[The information supplied by the State Department follows:]

In late February 1977, press and other reports received by the American Embassy in Lusaka, Zambia, reported the entrance into Zambia and the detention of one to three American citizens who had been serving in the Rhodesian armed forces. Repeated attempts by the Embassy were made to gain verification of these reports from the Government of Zambia. On March 1 the Zambian Minister of Foreign Affairs confirmed that only one American was being held by the police after illegally entering Zambia from Rhodesia. This American was identified as Dennis R. Pearce who was alleged to have deserted from the Rhodesian army and to have stolen an aircraft to escape to Zambia. In response to a diplomatic note seeking consular access to Pearce, an Embassy officer was allowed to visit him in the Lusaka prison on March 3 and again on March 14. At Pearce's request the Department of State contacted members of his family in the United States and secured from them financial assistance for Pearce's passage back to the U.S. However, before these funds could be delivered, the Government of Zambia determined not to press charges against Pearce and deported him, presumably at its expense, from Zambia on March 23, 1977.

Mr. DIGGS. Do you know whether any U.S. mission in neighboring countries has been involved with mercenaries in any way; that is, arranging safe passage or providing passports?

Mr. EDMONDSON. There have been cases, Mr. Chairman, where people who claim to be fleeing from service in the Rhodesian Army have asked for and received passport services.

Mr. DIGGS. Under what circumstances? What is the status of an individual who is a mercenary? What is their status with respect to benefiting from embassy consular and other services? How do we treat them? What are their rights?

Mr. EDMONDSON. They have the same rights as any other American citizen, Mr. Chairman, as far as passport facilities are concerned. Do you mean their legal status as mercenaries?

Mr. DIGGS. Perhaps counsel can again be helpful here. A person who becomes a mercenary per se is in violation of Federal law and subject to loss of his citizenship. If he leaves the country where he has been a mercenary and comes back into our jurisdiction does he automatically cancel out the penalty for any violation?

Mr. MATHESON. No; he would still be subject to arrest and prosecution for violations of U.S. law.

Mr. DIGGS. If a mercenary, say, fled from Rhodesia and showed up in our Embassy in Lusaka for any kind of consular service would the Marines arrest him? What is the practice?

Mr. MATHESON. One of the difficulties is that U.S. law only applies to recruitments which occur within the United States. Also, a consular official would have no authority or basis for arrest or prosecution in such a case.

Mr. DIGGS. Wouldn't he ask questions? Wouldn't that be brought out through questioning? If a mercenary came back into the jurisdiction of the United States at the Embassy, for example, just what action is he subject to?

Mr. MATHESON. I assume this individual would return to the United States in the ordinary course of events. In that case the Department of Justice would investigate any possible violations or prosecute. I don't believe a consular official could engage in prosecutorial functions.

Mr. EDMONDSON. We have no legal jurisdiction.

Mr. DIGGS. He would be entitled to the regular consular services? In other words if he showed up in Lusaka at the Embassy and asked

for a passport or a travel document to go to the United States or to go to any other place, you would automatically give it to him just like any other citizen?

Mr. EDMONDSON. In certain circumstances, Mr. Chairman, we might issue a passport limited to travel to the United States.

Mr. DIGGS. To the United States only? Is that what you are saying? To the United States only, if he wanted to go there. Anyplace else?

Mr. EDMONDSON. I will have to supply more detailed information.

Mr. DIGGS. I would like to get more information on that. It is a very interesting point.

[The information supplied by the State Department follows:]

SERVICE IN THE RHODESIAN MILITARY FORCES BY SINGLE NATIONAL UNITED STATES CITIZENS

(1) Section 349(a)(3) of the Immigration and Nationality Act (8 USC 1481) provides the specific statutory grounds for loss of U.S. citizenship by entering, or serving in, the armed forces of a foreign state unless, prior to such entry or service, such entry or service is specifically authorized in writing by the Secretary of State and the Secretary of Defense.

Neither general nor specific authorization has ever been granted in the past.

Service in the armed forces of a foreign state will result in loss of United States nationality under Section 349(a)(3) INA if the citizen performs the service voluntarily with intent to relinquish United States citizenship. Intent can be determined only after the potentially expatriating act has been committed and will be determined on the basis of all the relevant circumstances, including objective evidence as well as subjective statements. The Department considers that the ability of the U.S. Government to sustain its burden to prove loss of U.S. citizenship by a preponderance of the evidence in a case of service in the armed forces of a foreign state not engaged in hostilities against the United States is most unlikely in all but the most clearcut cases. However, the United States opposes service by its citizens in foreign armed forces as a matter of policy.

(2) Departmental policy provides that passports and cards or certificates of identity and registration will not be issued to those persons who have actually entered the military service of a foreign state, but such persons may be registered to the extent of making their citizenship of record in the Consular Office if they have not lost nationality of the United States and are otherwise entitled to protection.

A passport can be issued to the individual and held by the Embassy or Consulate for use by the person when he or she is on active duty in the foreign military.

Because of the current unsettled conditions within Southern Rhodesia, the potential in the foreseeable future for increased violence, lack of official U.S. representation there and consequent inability to provide assistance or protection to U.S. citizens, the Department strongly advises citizens not to travel to or within Southern Rhodesia. The Department also strongly advises against service in the military forces of Southern Rhodesia or any foreign state. The Consulate General of Johannesburg, South Africa has primary responsibility for assisting Americans who are residing in Southern Rhodesia.

(3) Section 358 INA (8 USC 1501) requires that whenever a diplomatic or consular officer of the United States has reason to believe that a person while in a foreign state has lost his United States nationality he shall certify the facts upon which the belief is based to the Department in writing, in accordance with procedures established by the Secretary of State.

(4) As noted in (2) above no United States passports or other documents of United States citizenship will be issued to any United States citizen serving in the armed forces of any foreign state. However, once discharged from such service and an official determination having been made that such service did not result in loss of United States nationality, a full validity passport can be issued.

If the evidence in any case is considered sufficient to determine that the person intended to relinquish United States citizenship by such service then a preliminary finding of loss of nationality is made. If the person contests the finding a passport may be issued for limited periods of time while the person is actively contesting the finding and until a final determination of loss of nationality is made. [8 FAM 224.20e Procedures]



Mr. DIGGS. Do you have any information at all, Mr. Secretary, about any American citizen that may have been killed in the Rhodesian conflict?

Mr. EDMONDSON. There have been news reports of two Americans who have been killed. That is the only information I have.

Mr. DIGGS. We have heard about a David Bufkin who by his own admission, is supposed to have recruited Americans to fight in Angola. He is supposed to be recruiting mercenaries from the United States for Rhodesia. Does that name ring any bell to you?

Mr. EDMONDSON. Yes, sir, I have heard of David Bufkin. But since he is in the United States it would be a matter for investigation by the Department of Justice.

Mr. DIGGS. Because as we understand it that is a violation. When you say you have heard of him, is that the extent of your knowledge of this individual? There has been no investigation that might be the basis for charging him with violation of chapter 45 of the civil code?

Mr. EDMONDSON. Not to my knowledge by the Department of State. We do not have any official information about what the Department of Justice is doing in that case.

Mr. DIGGS. Who would bring such a charge? Could any citizen or the Department bring it? Counselor, the Secretary indicates he has heard of this person. He is aware of him. He is not a stranger. Are you aware of his whereabouts?

Mr. EDMONDSON. No, sir, I am not. I believe my knowledge has come largely from newspaper coverage.

Mr. DIGGS. Counsel, do you have a comment?

Mr. MATHESON. Whenever Department of State receives reports of alleged recruitment of mercenaries in the United States these are referred to the Department of Justice for investigation and prosecution. The actual bringing of charges is a function of the Justice Department.

Mr. DIGGS. As far as you know does any official in the Justice Department or State have any contact with Mr. Bufkin?

Mr. EDMONDSON. I don't know of any contacts in the Department of State.

Mr. DIGGS. Yesterday when Ambassador Young appeared before the full committee the gentleman from Georgia was asked how he thought the Special Requirements Fund for those southern African countries contiguous to Rhodesia, might be used. And he could merely speculate. You have been closer to that situation. I wonder if you could comment about that and give us some more definitive idea about how those funds might be used.

Mr. EDMONDSON. I am not prepared to give detailed information, Mr. Chairman. There are specific uses that the Department and the Agency for International Development have in mind for those funds. Some of those include commodity support or specific development projects. I don't have that information at hand.

Mr. DIGGS. Thank you very much, Mr. Secretary.

Mr. Sommerfield from the Department of Treasury, I have some questions for you.

First in connection with the sanctions, how many companies have requested exceptions to the provisions of Public Law 95-12?

**STATEMENT OF STANLEY SOMMERFIELD, OFFICE OF FOREIGN  
ASSETS CONTROL, DEPARTMENT OF THE TREASURY**

Mr. SOMMERFIELD. With respect to imports of Rhodesian origin goods as such there have been 10 licenses issued so far. In each case they were for goods which were in transit; that is, the goods, although of Rhodesian origin, at the time of enactment of Public Law 95-12 were already in South Africa. The American purchaser had either paid for the goods or he had adversely affected himself by contracting, chartering a vessel, incurring other substantial financial obligations. He may have or previously resold the goods to customers in the United States. This licensing exception was set forth in transit provisions of Public Law 95-12, and the cases were all licensed.

Mr. DIGGS. If you could provide for the record those companies that are exceptions and the dispositions taken on these requests, the name of the company, the amount of the shipment in tonnage and dollar value and the nature of the ore involved. That is, whether it is ferrochrome, chrome ore or nickel, that would complete our record.

Mr. SOMMERFIELD. I would be happy to do that, sir.

[The information supplied by the Treasury Department follows:]

## RHODESIAN IN-TRANSIT SHIPMENTS

Exporter <sup>1</sup>	Importer	Merchandise	Tonnage	Value
Rhodesian Alloys Ltd., Rhodesia	IMC Industry Group, Inc., 245 Park Ave., New York City	Ferrocchrome silicon, low and high carbon ferrochrome	13,500 MT	\$7,500,000
Messina Transvaal Development Co., Ltd., South Africa	Union Carbide Corp., 1730 Pennsylvania Ave. NW, Washington, D.C.	High carbon ferrochrome	11,149 MT	4,986,246
Rhodesian Nickel Corp., Rhodesia	Engelhard Minerals & Chemical Corp., 299 Park Avenue, New York City	Tungsten	34 MT	2,210,000
		Low carbon ferrochrome	3,000 MT	2,224,000
		Electrolytic cathodes	1,500 MT	6,779,145
		Electrolytic cathode offent strips (offcuts)	200/300 MT	1,230,200
Rhonick Corp., South Africa	Almet Inc., Bernardsville, N.J.	Electrolytic nickel	222 MT	1,953,100
Feralloys Ltd., South Africa	United States Steel Corp., Pittsburgh, Pa.	Ferrocchrome, high carbon	5,000 MT	2,300,000
		Low carbon	1,200 MT	1,000,000
		Silicon chrome	2,400 MT	1,400,000
Rhodesian Nickel Corp., Rhodesia	Engelhard Minerals & Chemicals Corp., New York City	Nickel cathodes	3,351,873 lbs	6,737,600
Rio Tinto Rhodesian Corp., Rhodesia	do	High carbon ferrochrome	3,084 MT	1,269,036
Do	do	do	1,092 MT	1,459,011
British Metals Corp., South Africa	C. Tennant Sons & Co., New York City	Asbestos	857 MT	1,250,000
Rhodesian & General Corp., Rhodesia	Amatex Corp., Norristown, Pa.	do	299 MT	569,246

<sup>1</sup> All shipments were made from South Africa and goods were in South Africa as of the date of enactment of Public Law 95-12.

Mr. DIGGS. I understand that the Department of Treasury has been working to obtain agreements with specialty steel producing countries such as Japan and Italy to provide certificates of origin for the chrome used in such products. Is that correct?

Mr. SOMMERFIELD. Yes, sir.

Mr. DIGGS. Can you tell us what success you may have had?

Mr. SOMMERFIELD. I think we have made very substantial progress, sir. We have had negotiations with virtually all the major industrial countries. We have either reached agreement and are simply awaiting final signature on the agreements, or we are very, very close to agreement; the negotiators have agreed on the details of agreements and they may have to go back to their principals and tell them what they recommend that their principals approve. That is the situation at present with virtually all major industrial countries.

Mr. DIGGS. Which Department is responsible for implementing sanctions—Treasury, Commerce, Transportation?

Mr. SOMMERFIELD. It depends on what kind of sanction you are talking about. With respect to imports it is Treasury. With respect to financial transactions it is Treasury. With respect to exports it is Commerce. With respect to air carriers or ocean carriers it would be Transportation.

Mr. DIGGS. Last month, May 6 to be exact, the Department of Treasury announced a temporary procedure to permit the entry of certain ferrochrome and specialty steel products on a case-by-case basis on or before June 18 and if—I am quoting now:

The Director of the Foreign Assets Control receives a certificate from the producer that the products were in shipment or in inventory for shipment to the United States on March 18th or, 2, the producing country certifies to the Director that under its laws enforcing the United Nations sanctions against Rhodesia, the products do not contain chromium of Rhodesian origin.

I have several questions about that matter. First of all, what do you mean by "in shipment"? On the high seas or having signed a contract for a shipper?

Mr. SOMMERFIELD. The term "in transit" was not defined in the legislation. It was left to the Secretary to administer. What we have done is to authorize Customs to pass without question a shipment from a third country of specialty steel or ferrochrome if Customs can take a look at the bill of lading, the ocean bill of lading, and be satisfied that it was on the high seas on March 18. This is not the sort of case we need to review in our office.

In addition, there is some time needed to complete these certification negotiations with foreign countries. There are all sorts of reasons for this. Countries may need time to consult internally with the various ministries and the bureaucracies as we do. In one case, the country had an election in process. The Government couldn't really get a political decision from that country. Treasury did not want to get into a trade war with the world by setting too tight a deadline. So what we in effect did was to say that for this interim period, while negotiations were going on, we would not hold up trade internationally but would instead permit goods which are either in shipment—and that could mean anything from moving from the mill to the warehouse, or being at the port, or being onboard a barge or onboard a truck, almost any form of being in shipment en route to the United States would be permitted.

The transit certificates would be presented to Customs at airports. Since there are hundreds of such cases we didn't want to hold the goods up at the ports. Rather, what we did was to permit Customs to pass them on the basis of the interim certification. However, our office has the right to take a look at individual cases and if we find something improper, we can call a shipment back.

A second type of interim problem was a situation where perhaps the mill was unable to certify for one reason or another. In Canada for example, there is not a long shipping time for in-transit shipments—goods move. You go over the border in 24 hours. Thus, in most Canadian cases the goods would not be in transit. In Japan, on the other hand, transit takes several weeks.

So we gave the alternative to the country of certifying under its laws that it could issue this interim certification that it did not contain Rhodesian chrome. This is an interim procedure until the full certification program is put into effect.

I might add that every country we have talked to told us that they had no Rhodesian chrome in their countries.

Mr. DIGGS. What about "in inventory"? How do you define that?

Mr. SOMMERFIELD. That would be a situation where the mill has started production but hasn't started shipment. Or, it has moved chrome from the stockpiling yard into the furnace. Or the steel mill had gone out and bought raw material from a dealer or from a foreign supplier for a specific order it had previously received from the United States. The American buyer was relying on the fulfillment of that foreign commitment in order to meet his own commitment to his customers in the United States, or to keep his mill operating. We found cases where businesses were telling us that mills would be shut down in the United States if they were unable to meet the legitimate import commitments which they had made before the repeal of the Byrd amendment.

Consequently, it was determined that, while we worked out the details of this very complex certification procedure it would be necessary to allow interim certification.

I would say a key point in terms of implementation of the chrome certification procedures and the U.N. sanctions is the question of what happens with respect to Rhodesian chrome exports through South Africa. Rhodesia is a landlocked country, and Mozambique is no longer available as a port of exportation for chrome. Rhodesian chrome must come through South Africa. That is the highest area of risk.

We have been very pleased with the fact that in our negotiations we have been successful in getting agreements, which will be finalized, we hope, in the next brief period of time, under which foreign countries will undertake laboratory testing of all their imports of South African ore and ferrochrome from South Africa, to preclude imports of Rhodesian materials.

Indeed, we received some questions during the negotiations about how accurate and how valid our criteria for laboratory testing were. Could we truly distinguish Rhodesia ore and ferrochrome from South African ore and ferrochrome? We thought the tests were valid. Now as a result of these questions, we have done some more research. We are very much encouraged by the fact that we are on the right track. We have little doubt that these lab tests are valid, to the

extent that they can distinguish between Rhodesian ferrochrome and South African ferrochrome and can distinguish between the Rhodesian and South African ores. On the other hand, no test can distinguish between Japanese ferrochrome made with Rhodesian ore and Japanese ferrochrome made with Indian or Russian ore. There is no test possible to differentiate those items.

Mr. DIGGS. You mentioned the border closing of Rhodesia and the transshipment of ore through South Africa. What about sales or shipments via Botswana or Zambia?

Mr. SOMMERFIELD. We have never heard—nobody has raised the question of importing via those countries. It just doesn't happen commercially. It is theoretically possible, but it is a commercially impractical way of shipping chromium ore or ferrochrome.

A more interesting problem is Mozambique in the sense that it might be theoretically possible to ship ore or ferrochrome from Rhodesia to South Africa and then right back to Mozambique, represented as South African ore or ferrochrome. This does in fact occur in legitimate cases; that is, South African ore and ferrochrome are exported via Mozambique. But here again we haven't exempted Mozambique from our controls. We have required that any chrome of South African origin had to be laboratory tested whether it was imported directly from South Africa or via Mozambique.

Mr. DIGGS. Have there been any specialty steel product shipments denied entry because they contained chrome of Rhodesian origin?

Mr. SOMMERFIELD. No, there haven't been. There has been no need so far to do so.

Mr. DIGGS. We have been discussing your "temporary procedures." What kind of procedures will you be following after June 18?

Mr. SOMMERFIELD. After June 18 with respect to imports into the United States all imports from any country of ore can only be made by shipment directly from the producing country to the United States. That is an adequate safeguard we think with respect to ore, since Rhodesian ore is not likely to be transshipped via third countries which are chrome producers. Of course with respect to South African ore, it will be subject to lab testing in all cases.

With respect to South African ferrochrome, we lab test it. All other ferrochrome will have to be certified by the foreign ferrochrome producing country. In each case, in order to be able to issue a certificate, the foreign steel producing country will have to agree: First, that it does not allow any entry of Rhodesian chrome, second, that it will laboratory test a substantial amount of its imports of South African ore and ferrochrome to insure there is no admixture or substitution of Rhodesian chrome and, third, it will obtain its imported supplies of ferrochrome from other third countries which are enforcing the U.N. sanctions. Since we are going to have certification agreements with everybody, foreign steel producers will only be able to import clean ferrochrome for use in their steel mill products. This closes the circle and virtually establishes a worldwide barrier to imports of Rhodesian chrome into any country. There is a national barrier in each country, whereby it imports "clean chrome." Thus, you have a closed circuit if other countries all agree to the same procedures.

Mr. DIGGS. Let's talk momentarily about the Mobil Oil allegations. Could you briefly summarize the report of the Office of Foreign Assets Control on its investigation about Mobil Oil South Africa

supplying petroleum products to Mobil Rhodesia in violation of the U.N. sanctions?

Mr. SOMMERFIELD. There were allegations made by a church group to the effect that Mobil of South Africa—and other oil companies as well—had been supplying petroleum products to Southern Rhodesia. The allegations were based on documents allegedly obtained by a covert organization from the files of some of the companies that are said to be involved. The documents were xeroxed copies. They were unsigned. There is no witness able to testify as to the authenticity of the documents. They could be valid. They could be forgeries. We just don't know.

Nevertheless upon receipt of the allegations we went to the primary party available, which is Mobil in New York. We served a subpoena on the firm, calling for the production of pertinent documents and records from their files in New York to the extent they have them, and also calling upon them to produce records from their subsidiaries in South Africa and Rhodesia.

Mobil complied with the subpoena. It furnished in very cooperative fashion everything it could. Nothing was ever refused that we asked for. If we found a lead in a document we followed it up. We followed up any leads we saw, even if they led down avenues not having anything to do with the actual substance of the charges, but might indicate other possible violations. This was done to assure ourselves that nothing had occurred that could be in violation of the regulations.

As you know, the regulations do not apply to foreign subsidiaries, as such, for a number of policy reasons which we have explained in the past. Not only do U.S. regulations not apply extraterritorially, the regulations of most industrial countries do not apply extraterritorially to their foreign subsidiaries.

While we were conducting this investigation, Mobil decided that it wanted to pursue the allegations fully, not only to comply with our requirements but also because it had a company policy of its own against trade with Rhodesia. Mobil wanted to satisfy itself whether that company policy had or had not been complied with. So it sent a team of executives and lawyers who are senior company officials to South Africa to see what could be found from the files of the subsidiary and from conversations with officials of the subsidiary.

Upon arrival there, they were told that South African secrecy laws prohibited the subsidiary from making these files available to them. Not only was this the case, they were told that if they themselves tried to do any investigating, they were personally subject to criminal prosecution for violation of South African secrecy laws.

The Mobil team checked this secrecy law with the U.S. Embassy in South Africa. Mobil also obtained independent legal opinion from South African counsel, which supported that interpretation of law. Therefore, the Mobil team returned to the United States and told us what had happened.

We were naturally disturbed by the problem of not having access to the subsidiary's documents in South Africa, which is the key source of information. That is where you will find the facts. You aren't going to find them in the United States, except by coincidence. You may find a few occasional documents in U.S. files received from the subsidiary which the U.S. firm happens to possess and, which might contain a reference to a suspect transaction. But you aren't going to find the complete day-to-day files here.

Mr. DIGGS. They were unable to examine the files of their own company?

Mr. SOMMERFIELD. That is correct, sir.

Mr. DIGGS. Am I correct that Treasury has an attaché in Pretoria?

Mr. SOMMERFIELD. I am not sure there is a financial attaché there. There are various attachés of the State Department there. However, we didn't feel we could rely on Mobil's version of this secrecy law, even though we had no reason to doubt the validity of what they told us. So, we communicated with the U.S. Ambassador in South Africa, through the State Department and asked him first, to confirm whether or not it was true that the South African secrecy laws applied. Second, we asked him to see if he could obtain a waiver from the South African Government. Third, we asked if there was any other way the files could be made available to us.

The reply we got back from the Embassy was that there was no way the files could be made available. The South African Government absolutely declined, and the South African secrecy laws did in fact apply.

Mr. DIGGS. To your knowledge has the South African Government or has any South African corporation sought to obtain any information about a South African subsidiary based in the United States?

Mr. SOMMERFIELD. I have never encountered such a case, or heard of such a case. We have no secrecy laws of that type in this country. We don't have Swiss secrecy. Our banks are subject to Treasury subpoenas, without argument. We have freedom of information laws and sunshine laws, so it is just not a comparable situation. Consequently, there is no particular reason why South Africa couldn't get files from a South African subsidiary here.

Mr. DIGGS. That is a most interesting exposition of South African policy.

This OKHELA, the organization that provided the documents for the United Church of Christ, do you know anything about it, how it was founded or anything at all?

Mr. SOMMERFIELD. I know nothing about it. It is supposed to be a covert organization. I would have no particular interest in it except that they were the source of these charges.

Mr. DIGGS. Do you know how Mobil Rhodesia operates?

Mr. SOMMERFIELD. We know something about it because Mobil first discussed its situation with us years ago when the sanctions came into effect. I remember that somebody from Mobil came in and asked us if our sanctions applied to Mobil of Rhodesia. They described the firm's activity as basically running a chain of filling stations in Rhodesia.

The answer I gave them was that, so long as Mobil Rhodesia didn't do any importing, and didn't receive any capital from abroad, it would not be in violation of the regulations so long as it was engaged strictly in domestic transactions wholly within the economy of Rhodesia.

Mobil also asked about the situation where to their knowledge petroleum supplies were being provided to Mobil Rhodesia by a Rhodesian Government purchasing agency called GENTA. The answer I gave them at the time was that Mobil Rhodesia could not in any way be involved in these importations. It could have nothing to do with importing as such. But, so long as the Rhodesian Government imported it strictly on its own from sources having nothing to do



with Mobil, that would be a transaction Mobil Rhodesia couldn't control in any way. Thus, once the petroleum is inside Rhodesia it would be a purely internal transaction when Mobil purchased supplies from GENTA.

I might add that, during the course of our investigation of the New York files of Mobil, we stumbled on some reports of financial transactions which caused us to wonder. There were reports of sizable foreign exchange transactions having occurred in Rhodesia for customs duty purposes. Theoretically the transactions could have been the result of direct purchases of goods from South Africa by Mobil Rhodesia. There were also some other much less significant foreign exchange transfers that were readily explained. This report caused us to have greater concern and wonder as to why the foreign exchange transactions had occurred. We asked Mobil U.S. for an explanation of this.

Mobil explained it by saying that for U.S. tax law reasons, it is necessary for them worldwide—this is not limited to Rhodesia at all—to separate out customs duties paid by subsidiaries to foreign governments from costs of materials imported by subsidiaries into foreign countries. This would be reflected in the financial reports we saw, regardless of whether the Rhodesian subsidiary had imported petroleum itself, or whether GENTA had imported the petroleum and passed the customs duties on to the subsidiary. So the documents we examined referred to tax records and did not necessarily establish that Mobil Rhodesia had itself imported any petroleum. These records were, however, ambiguous. They could have reflected an import of petroleum by the Rhodesian subsidiary, or they could have reflected a purchase by petroleum from GENTA. There is absolutely no way of telling what actually happened, without going into the subsidiary files in Rhodesia or South Africa, as the case might be.

Mr. DIGGS. You indicated that you made a request presumably through the Department of State that our Ambassador, Mr. Bowdler, make representations to the South African Government in order to obtain the necessary information about the Mobil Oil subsidiary. Is that approximately what happened?

Mr. SOMMERFIELD. That is correct.

Mr. DIGGS. Did this inquiry involve contact with the Secretary of the Treasury who contacted the Secretary of State who in turn gave instructions to the Ambassador? Or was it handled on a lower level?

I am trying to determine the nature of the communications because if it were handled at a staff level the South African Government obviously would have a much different attitude than they would if the request had come from the top officials.

Mr. SOMMERFIELD. The answer is that I drafted the request and forwarded it to the State Department in normal fashion. The African Bureau and other interested elements checked it out. It was then passed on to the Embassy. However, in the Embassy's messages on this subject, some of them used the word "I," which means Ambassador Bowdler himself personally was participating in the action.

Ambassador Bowdler in the past has had close dealings with our office in connection with embargoes. He is quite familiar with how we operate. He is also familiar with the seriousness with which both we and the State Department view these allegations against Mobil.

I believe that at one conference with the South African Government a representation was made at his level, or at least speaking in his name, and it was made clear that he was interested in the matter. It was handled with some authority. I can't say the Secretary of the Treasury personally contacted the Secretary of State.

Mr. DIGGS. But the letter went out over your signature.

Mr. SOMMERFIELD. No. It was a cable which went through the State Department and therefore went out over the signature of the Secretary of State.

Mr. DIGGS. And the response came by way of cable also?

Mr. SOMMERFIELD. That is correct. Again, the cable reply was signed by the Ambassador.

Mr. DIGGS. Could you make those, that correspondence and any related correspondence available for the record?

Mr. SOMMERFIELD. I will have to consult with the State Department because of the fact that it went through their facilities.

Mr. DIGGS. Would you consult with them and let us know if there is any special problem?

[The correspondence referred to follows:]



THE UNDER SECRETARY OF THE TREASURY  
WASHINGTON, D.C. 20220

FAC No. 82866

MAY 12 1977

The Honorable  
Charles C. Diggs, Jr., Chairman  
Subcommittee on Africa  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

As you know, the Treasury's Office of Foreign Assets Control has been investigating public allegations that the Mobil oil company's subsidiary in South Africa was supplying petroleum products to its sister firm in Southern Rhodesia in violation of the Rhodesian Sanctions Regulations.

In this connection, I am enclosing for the Subcommittee's information copies of a report of the investigation by the Office of Foreign Assets Control of these allegations. The Office's investigation was comprehensive and detailed. It involved pursuit of a number of avenues of investigation beyond those suggested by the public allegations and the evidence offered for them. However, major sources of information were unavailable to the Office because of the South African and Rhodesian secrecy laws.

Unfortunately, these laws had the effect of interfering with portions of the investigation by denying access to the records of the affiliates in those countries. This access could have either confirmed, or refuted as unfounded, the allegations against the Mobil Oil Corporation. As a consequence, no definite conclusion can be reached as to whether or not petroleum products were in fact supplied to Rhodesia. Relatively little competent evidence could be found of willful violations of the Treasury's Rhodesian Sanctions Regulations.

I hope this report will prove to be helpful to your Subcommittee in its work.

Sincerely,

*Bette B. Anderson*

Bette B. Anderson

Enclosure

TREASURY INVESTIGATION OF  
CHARGES MADE AGAINST THE MOBIL OIL CORPORATION

This report summarizes the findings of a detailed investigation conducted by the Office of Foreign Assets Control, Department of the Treasury, of allegations that the Mobil Oil Corporation ("Mobil") has been engaged in the supply of petroleum products to Rhodesia in violation of the Rhodesian Sanctions Regulations administered by the Office. The Treasury Rhodesian Sanctions Regulations implement the United States participation in the United Nations embargo of Rhodesia. The embargo has been in effect since 1966, in the case of petroleum product supply.

I  
BACKGROUND

A. The Allegations Against Mobil

At a June 21, 1976, Washington press conference, the Center for Social Action of the United Church of Christ (the "Center") released a report entitled "The Oil Conspiracy" (the "Center Report") which purported to demonstrate that petroleum products were reaching Rhodesia by way of export from Mobil's South African subsidiary ("Mobil South Africa") to its Rhodesian subsidiary ("Mobil Rhodesia"). The Report contained allegations that a highly sophisticated scheme was operated by Mobil South Africa whereby it sold petroleum products to Rhodesia through a series of fictitious South African companies. Among other matters, Mobil Rhodesia allegedly was asked by a secret Rhodesian Government agency called GENTA to establish what the Report referred to as a "paper-chase" of intermediary companies through which GENTA could import Rhodesia's gasoline and diesel requirements from Mobil South Africa.

The Center Report contained detailed allegations as to how Rhodesia has been able to obtain a critical commodity that it cannot produce internally and cannot function without, namely, petroleum. As argued in the Center Report, since the Rhodesian economy continued to function even after the imposition of a United Nations trade embargo on certain commodities, including petroleum, the country must have been supplying its petroleum needs from some external source. Charges were made in the Center Report that, notwithstanding the embargo, a number of international oil companies, including Mobil, managed to continue to supply Rhodesia's petroleum needs via a number of land and sea routes.

The allegations in the Center Report were primarily based on eighteen documents published in the Center Report. These documents allegedly had been provided to the Center by a clandestine South African Organization known as OKHELA. OKHELA claimed that the material had been gathered during a year of intensive secret research and intelligence work in South Africa, Rhodesia, Mozambique, Britain, the Netherlands, and the United States. The documents consisted of tables describing Rhodesia's petroleum needs, and commercial correspondence allegedly evidencing transactions by Mobil South Africa, Mobil Rhodesia, and various other firms involved in the claimed conspiracy. Among the documents were invoices for petroleum products, official and personal correspondence of company officials relating to transactions in petroleum products, and company financial statements. The documents were allegedly copied secretly from the files of Mobil Rhodesia and other firms said to be involved in the "oil conspiracy".

As acknowledged in the Center Report, subsidiaries of United States corporations which are not organized under the laws of Rhodesia--for example, a South African subsidiary--are not governed by the Treasury's Rhodesian Sanctions Regulations. However, the Regulations do extend to U.S. subsidiaries in Rhodesia, to goods of United States origin, and to United States citizens. The suggestion in the Report was that the Mobil situation would appear to involve all three elements. Specifically, the Center Report stated that it was difficult to imagine that Mobil and/or its officers did not know of the petroleum importation activities that Mobil Rhodesia carried out in collaboration with Mobil South Africa.

In this regard, one important focus of the report was on the roles of three officials of Mobil who, at the time of preparation of the Report, were American citizens and who either were serving on the board of directors of Mobil South Africa or had so served in the past. The three key officials are as follows:

Everett S. Checkett. Mr. Checkett was a member of the board of directors of Mobil South Africa and Executive Vice President of the International Division of Mobil which owns Mobil South Africa. In the latter position, he was responsible for Mobil South Africa. Mr. William F. de la Beck, Chairman of Mobil South Africa, reported to him.

Charles E. Solomon. At the time when the documents the Center relied on were ostensibly prepared, Mr. Solomon was a member of the board of Mobil South Africa, President of the International Division of Mobil and a member of its board of directors.

Faneuil Adams, Jr. At the time of the report, Mr. Adams was Vice President of Planning in the International Division of Mobil. From 1972 to May 1975 he was President of Mobil South Inc., a Mobil umbrella organization which has responsibility for a number of Mobil subsidiaries in Africa including Mobil South Africa and Mobil Rhodesia. At that time, he was also on the board of Mobil South Africa and Mr. Beck reported to him.

According to the Center Report, the alleged sanctions-breaking activities of Mobil South Africa were probably known to its board of directors since they involved business which would normally be reviewed and discussed in board meetings. The authors of that Report stated that the directors of Mobil South Africa included very senior executives of Mobil. The authors suggested in the Report that it would be difficult to believe that the parent company did not have knowledge of the sanctions-breaking activities of the South African subsidiary.

## B. The Legal Framework

### 1. General

The present white-controlled regime of Rhodesia came into existence on November 11, 1965, when Prime Minister Ian Smith issued a unilateral declaration of independence (UDI). Prime Minister Smith acted in defiance of the United Kingdom's insistence that the granting of full independence to the white minority colony must be conditioned on the guaranteeing of basic rights to the black African majority (95% of the population). The United Kingdom applied economic sanctions in response to UDI, but when these failed, the assistance of the United Nations was invoked in December 1966.

On December 16, 1966 the Security Council (with U.S. support) passed Resolution 232 calling on member states to impose a mandatory munitions and petroleum embargo on sales to Rhodesia and an embargo on importation by U.N. members of certain key Rhodesian commodities. Members were specifically required not to permit their nationals or vessels to supply oil or oil products to Rhodesia. The President on January 5, 1967 issued Executive Order 11322 to implement this embargo. The Executive Order was issued under the authority given the President by the Congress in Section 5(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287e).

When the limited embargo failed to have the desired effect on the breakaway regime in Rhodesia, the Security Council, on May 29, 1968, adopted Resolution 253 (again with U.S. support)

calling on members to refrain from a broad range of trade and financial transactions with Rhodesia or its nationals. The Resolution imposed a total economic embargo on Rhodesia with some limited exceptions (e.g. for medical, educational, or humanitarian purposes). The President issued Executive Order 11419 on July 29, 1968, to implement United States participation in the expanded United Nations sanctions. Violations of any order, rule, or regulation issued by the President under Section 5(a) of the United Nations Participation Act are punishable by a fine of not more than \$10,000 or imprisonment for not more than ten years.

Both Executive Orders 11322 and 11419 delegated the President's authority to implement the United Nations sanctions to the Secretaries of Commerce, Transportation, and Treasury. The authority of the Secretary of the Treasury is in turn exercised by the Director of Treasury's Office of Foreign Assets Control. The Office, among other matters, administers the Foreign Assets Control Regulations and the Cuban Assets Control Regulations, both promulgated under the Trading with the Enemy Act. Those Regulations apply to transactions between United States persons and China, North Korea, North and South Viet-Nam, Cambodia, and Cuba. On August 12, 1968, the Office promulgated the Rhodesian Sanctions Regulations ("the Regulations").

2. "Persons Subject to the Jurisdiction of the United States"

a. Mobil Rhodesia

The Regulations prohibit any person subject to the jurisdiction of the United States, except as authorized by a license issued by the Office of Foreign Assets Control, from engaging in any direct or indirect transaction involving, among other things: (1) transfers of property which involve merchandise destined for Rhodesia, or to or for the account of business nationals thereof, or (2) other transfers of property to or on behalf of any person in Rhodesia including an official instrumentality. The term "person subject to the jurisdiction of the United States" includes a corporation, such as Mobil Rhodesia, which is owned by a United States corporation such as Mobil.

However, although Mobil Rhodesia is itself subject to the Regulations, the policy of the Treasury Department is not to prosecute for illegal activities of a U.S.-owned or controlled enterprise in Rhodesia when that firm acts under duress exerted by the Rhodesian authorities. Obviously, if the management of the Rhodesian subsidiary would be clearly subject to criminal punishment in Rhodesia for violation of Rhodesian directives to import or export, it would be unreasonable for the U.S. Treasury to prosecute for acts conducted under such duress.

At present, Mobil Rhodesia functions under a "mandate" of the Rhodesian regime. A copy of the "mandate" has been examined. The "mandate" clearly requires the management of the Rhodesian subsidiary to comply with Rhodesian directives relating to the conduct of its business or suffer criminal penalties, corporate as well as personal. Accordingly, unlicensed imports of petroleum products by Mobil Rhodesia would not per se have involved a criminal violation of the Treasury Regulations.

To understand the legal implication of any involvement by Mobil Rhodesia in the alleged scheme to provide petroleum products to Rhodesia from South Africa, how that company came to exist and how it continues to function in Rhodesia after the embargo must be understood. Mobil Rhodesia was an existing operation in Rhodesia as a Mobil affiliate prior to the establishment of the Rhodesian sanctions by the U.N. The company, among other activities, operated a chain of service stations there. When the sanctions were invoked, officials of Mobil U.S. requested an opinion from FAC on how the Treasury Regulations would affect the operations of its subsidiary. Officials of Mobil stated that the filling stations received their petroleum product supplies from an official Rhodesian purchasing agency (GENTA), which handled the procurement and importation of petroleum products from foreign suppliers, and resold them to domestic customers in Rhodesia such as Mobil Rhodesia.

Officials of the company were advised that, on these facts, Mobil Rhodesia would not be involved in a violation of the Treasury Regulations if it continued to purchase petroleum products from the Rhodesian government agency, GENTA. However, Mobil Rhodesia could not be involved in any way in the procurement or importation process. This interpretation of the Regulations is consistent with the terms of the U.N. sanctions resolutions, which deal with import and export activities, and with capital movements into and out of Rhodesia, but do not apply to wholly internal transactions. (The interpretation was codified as Section 530.409 of the Regulations).

b. Mobil South Africa

Overseas subsidiaries of United States firms are governed by the Regulations only if they are in Rhodesia. (In this aspect, the Regulations differ from other regulations, such as the Cuban Assets Control Regulations, administered by the Office of Foreign Assets Control.) Foreign subsidiaries located in other countries, such as Mobil South Africa, are not subject to the Rhodesian Regulations.



Although a South African subsidiary, as a corporate entity, is not subject to the Rhodesian Sanctions Regulations, United States citizens are subject to the Regulations. Such persons may commit violations of the Regulations through their directorship and management of the foreign corporation, even though that corporation itself is not directly governed by the Regulations.

The United States policy of not applying the Regulations to subsidiaries located in third countries other than Rhodesia is consistent with the practice of other U.N. member states under the U.N. sanctions resolutions. In this regard, the United Kingdom was the sponsor of the U.N. sanctions resolutions, in its capacity as sovereign over what was then the colony of Rhodesia. After passage of the sanctions resolution of December 1966, Treasury ascertained that the United Kingdom did not apply its sanctions regulations to foreign subsidiaries of British firms, as a matter of principle.

Further, other major U.N. members also did not control foreign subsidiaries. Since the U.N. sanctions against Rhodesia are a multilateral undertaking, and since many countries object to so-called "extraterritorial" controls over subsidiaries of U.S. firms located in their countries, for the U.S. to unilaterally extend its controls beyond the level of controls adhered to by the sponsor of the sanctions resolutions, and by other major U.N. members did not appear appropriate. If the U.N. sanctions were in fact fully enforced by all U.N. members, U.S. subsidiaries abroad would be prevented from dealing with Rhodesia by the laws of the countries in which they operate. However, this is not uniformly the case and South Africa does not adhere to the embargo at all.

The United Kingdom does apply its sanctions controls to its nationals who are officers or directors of British firms located in third countries. The Treasury Regulations were similarly extended to officers and directors of American subsidiaries in third countries. This restriction has the practical effect in many cases (although not in all) of preventing American subsidiaries in third countries from trading with Rhodesia, even though the subsidiaries themselves are not directly subject to the Regulations.

Finally, the United Kingdom sanctions regulations did apply to British persons and firms in Rhodesia itself, even though they did not apply to British subsidiaries in other countries. The rationale was that persons and firms in Rhodesia are British subjects by virtue of their residence in the "colony" of Rhodesia. Somewhat anomalously, the U.S. decided to follow the British lead and extend the Treasury regulations to U.S. subsidiaries in Rhodesia, even though the same rationale was not present.

In sum, the foregoing shows that the Treasury Regulations would not necessarily be violated simply by virtue of an export from Mobil South Africa to Mobil Rhodesia. However, the Regulations would be violated if U.S. persons, for example officials of Mobil, participated in the transaction. Also, Commerce Department regulations might be violated if U.S. products were involved. As a consequence, the Treasury investigation focused on these two aspects of the allegations against Mobil.

## II THE INVESTIGATION

### A. Objectives

The Acting Director of the Office of Foreign Assets Control issued instructions to the Office's investigatory staff that an appropriate investigation be undertaken in order to determine whether:

- a) Mobil South Africa had engaged directly or indirectly in the supply of Mobil products to Mobil Rhodesia.
- b) Any officer of Mobil was aware of, or instrumental in, the alleged scheme to ship Mobil products to Mobil Rhodesia in violation of the Rhodesian Sanctions Regulations.
- c) Mobil Rhodesia had engaged in the importation of diesel oil, gasoline, jet fuels, lubricants, or other petroleum products from Mobil South Africa.

### B. Scope of the Investigation

The investigation was to be conducted in three phases. The first phase would involve obtaining documents from the offices of Mobil, Mobil South Africa, and Mobil Rhodesia; evaluating the documents; and, questioning appropriate company officials regarding their content. The second phase would involve interviews of U.S. citizens or residents who had served on Mobil South Africa's Board of Directors; any other relevant key officials of Mobil; and, other persons who had resided in South Africa on or since July 29, 1968, while employed by Mobil. The third phase (which might be conducted concurrently with either of the others), would involve interviewing or seeking documents and sources outside Mobil; attempting to determine the authenticity of the Center documents; and, the pursuit of other avenues of investigation which might be developed, quite apart from the Center allegations and documents.

C. Conduct of the Investigation

1. First Phase--The Documentary Evidence

a. Production of Documents and Questioning of Company Officials Thereon

On June 30, 1976, an Administrative Order was served on Mr. George A. Birrell, General Counsel and Vice President of Mobil. The Treasury Order directed Mobil to: (a) furnish for examination all its records relative to transactions between Mobil Rhodesia and Mobil South Africa involving the purchase and supply of oil products to Rhodesia and (b) furnish all records from the files of Mobil Rhodesia and Mobil South Africa relative to the purchase/sale and supply of oil products to Rhodesia. Mobil officials agreed to provide the information as promptly as possible given the fact that the records were not centrally located but probably were scattered throughout the Mobil worldwide organization, including Mobil South Africa, Mobil Rhodesia, and Mobil Refining Company South Africa. Mr. J. Edward Fowler, General Counsel of Mobil's International Division, would coordinate the task. Mobil officials also informed FAC personnel that it was conducting its own investigation of the allegations.

On July 2, 1976, officials of Mobil U.S. furnished material from its U.S. files in response to the Administrative Order. The items of greatest relevance fell primarily in two categories:

- (i) Minutes of the meetings of the board of directors of Mobil South Africa, Mobil Refining Company of South Africa, and Mobil Rhodesia.
- (ii) Summary profit and loss statements and balance sheets of Mobil South Africa, Mobil Refining Company of South Africa, and Mobil Rhodesia.

(1) Role of U.S. Citizens on the Board of Directors of Mobil South Africa.

Examination of the minutes disclosed the following items of relevant information: 1) that United States citizens were board members of Mobil South Africa from July 29, 1968, to date; 2) that a United States citizen served as a director of Mobil Rhodesia from July 29, 1968, to December 15, 1969; 3) that United States citizens have served on the board of Mobil Refining from July 29, 1969, to January 1976; 4) that William F. de la H. Beck, a South African national, served at all relevant times as chairman of the board for both Mobil South Africa and Mobil Rhodesia.

In order to determine whether U.S. citizen employees of Mobil serving on the board of Mobil South Africa might have been involved in, or known about, alleged violations of the embargo by Mobil South Africa, PAC personnel sought to pin down their roles and scope of responsibility. Mr. Fowler was asked: (a) the functions of the American officers of Mobil who had served on the Mobil South Africa board; (b) whether the American directors attended Mobil South Africa's board meetings, and if so, how often; and (c) the reason why the South African national (Mr. Beck) who was Chairman of Mobil South Africa, had continued to serve as Chairman of the Board of Mobil Rhodesia after July 29, 1968. (In the latter connection, Mr. Fowler had previously told Treasury officials that, following the imposition of sanctions against Rhodesia, both Mobil itself and Mobil South Africa, to whom Mobil Rhodesia had formerly reported, had no longer been able to exercise any control over Mobil Rhodesia.)

In response to these inquiries, Mr. Fowler stated that it was his understanding that the American member of the Mobil South Africa board never attended board meetings or participated in board decisions. The function of the American member of the Mobil South Africa board (who was also Executive Vice President of Mobil's International Division and nominally responsible for all foreign operations and affiliates) was to serve as a liaison and point of contact between Mobil and Mobil South Africa, and to effectuate and transmit Mobil's overall decisions and policies regarding financial and other general matters. He did not know why the South African national who was chairman of Mobil South Africa (Mr. Beck) had continued to serve as chairman of the board of Mobil Rhodesia.

(2) Analysis of Financial Information Furnished by Mobil

A very careful study of the financial documents furnished from the U.S. files of Mobil was conducted to ascertain whether entries in such documents might contain evidence, direct or indirect, of international transactions in petroleum products between Mobil South Africa and Mobil Rhodesia. Such evidence could, if obtained, lend credence to the allegations of the

Center Report. Accordingly, evaluation of financial information centered on the following areas:

1. Certain intercompany payables.
2. Gains or losses on foreign exchange.
3. Payment of import and customs duties outside the United States.
4. Relationship of South Africa's internal production/consumption figures for petroleum products to import/export figures.

The results derived from the documents and interviews with company personnel were as follows:

(a) Intercompany payables. The U.S. files of records of Mobil Rhodesia disclosed relatively small sums listed as "intercompany payables" to Mobil South Africa and to other affiliates outside Rhodesia. The FAC investigators asked whether these accounts payable were derived from, and were thus evidence of, direct petroleum import transactions by Mobil Rhodesia. Officials of Mobil explained that these were sums owing for routine intercompany administrative services, and had no relation to imports or exports. For example, Mobil South Africa's computer processing facilities were used to prepare monthly pension accounts, payrolls, etc. for Mobil Rhodesia, and this service was carried on the books of Mobil Rhodesia as an intercompany account payable.

(b) Gains or Loss on Exchange. The U.S. files for Mobil Rhodesia records showed realized gains or losses on exchange. Again, the foreign exchange transactions might conceivably have been related to import activities by Mobil Rhodesia. However, Mobil officials explained that these entries primarily reflected normal operations such as settlement of service charges involving Mobil South Africa and Mobil Malawi for the "intercompany payables" above; the gain or loss resulting from transactions in Certificates of Deposit purchased locally, but denominated in foreign currencies; and, translation of local currency balance sheet accounts into U.S. dollars. Treasury officials found that the amounts gained or lost were consistent with such limited activities, and did not reflect sizeable foreign exchange operations, such as might result from petroleum imports.

(c) Payment of Import and Customs Duties by Mobil Rhodesia. The U.S. files of Mobil Rhodesia records also showed sizeable amounts paid for customs duties. This could have meant that Mobil Rhodesia had engaged in extensive imports of unspecified commodities (presumably petroleum products) for which customs duties were paid.

The explanation of Mobil officials is that, whether a Mobil subsidiary was the importer or not, if import and customs duties were passed on to and thus absorbed by it, even if another entity (e.g. GENTA) was the actual importer, then company policy required that such items be reflected in financial accounting records of the subsidiary. Accordingly, the assumption was that when GENTA transferred some of its oil imports to Mobil Rhodesia, Mobil Rhodesia included in its own records customs and import duties included in the total cost of the petroleum products purchased by Mobil Rhodesia from GENTA.

There is no apparent way to either verify or refute this explanation other than by physical examination of the records in Rhodesia, a course of action that has not proved to be possible for either Mobil or FAC (See pp. 13-16 of this report).

(d) Relationship of Internal Production/Consumption to Imports/Exports. FAC officials thought that an examination of Mobil's U.S. file records of production in South Africa, local consumption, and exports to African countries other than Rhodesia, might show a discrepancy between production and listed consumption. If such a discrepancy were found, it would tend to indicate that not all of Mobil South Africa's production had been accounted for, and the discrepancy presumably consisted of exports to Rhodesia.

Accordingly, FAC personnel requested detailed information to conduct this analysis, including reports on the following: (a) imports into South Africa by the Mobil subsidiaries of crude oil and refined oil products from 1968 to June 30, 1976; (b) output of Mobil's South African refinery of refined products from imported crude from 1968 to June 30, 1976; (c) domestic sales and in-house consumption of the Mobil South African subsidiaries from 1968 to June 30, 1976; (d) export sales of refined oil products (to Mobil's Southern African group of affiliates in Botswana, Lesotho, Swaziland, Mosambique, and Namibia)

from 1968 to June 30, 1976; and (e) a summary input-output analysis of the Mobil refinery in South Africa from 1968 to June 30, 1976. Analysis of the reports did not disclose discrepancies that would suggest that products had been diverted from South Africa to Rhodesia. However, the category of local sales for consumption in South Africa could conceivably include products reexported by the buyers to Rhodesia. If such an activity existed, it could not be detected by this examination of gross statistics.

In this connection, FAC Officials learned from the U.S. Embassy in South Africa, a company doing business in South Africa is obligated under a policy enforced by the Government of South Africa to sell its products to any willing buyer. The seller cannot compel the buyer to furnish any information as to the use or destination of the product involved. As a result, a South African company (e.g. Mobil South Africa) selling petroleum products to a domestic buyer would not necessarily be able to determine whether those products were destined for resale to Rhodesia, nor to prevent that occurrence.

The Center Report contained an allegation that SASOL, the South African Coal Oil and Gas Corporation, was one of the "paper chase" companies engaged in supplying petroleum products to Rhodesia with the collaboration of the American oil companies in South Africa. This may have been the case, but on the other hand, SASOL, under the aforementioned South African policy, could have purchased its requirements from the U.S. subsidiaries in South Africa without disclosing that the ultimate destination was Rhodesia. In addition, FAC personnel acquired information that would indicate that SASOL had independent internal production sources, overseas sources, and refinery capacity to supply Rhodesia without the participation of the oil companies.

Thus, there is a genuine possibility that the petroleum products found in Rhodesia all originated with SASOL. This is what Mobil officials claim, it is what the other oil companies claim, and there is no credible, authenticated evidence to the contrary.

b. Attempts to Obtain Information from South Africa and Rhodesia.

(1) Mobil's Attempt to Obtain Information from South Africa and Rhodesia.

As stated above (p. 8), FAC personnel realized at the outset of the investigation that the primary sources of evidence to establish or refute the allegations would be found in

South Africa and in Rhodesia. Substantial evidence would probably not be found at secondary sources such as Mobil U.S. Accordingly, the initial administrative subpoenas specified that relevant records of Mobil South Africa and Mobil Rhodesia were to be produced.

On August 18, 1976, at the request of Mobil officials, Mr. Fowler and an Associate General Counsel of Mobil's International Division briefed FAC officials on a trip to South Africa made in early August by senior Mobil officials. The senior officials of Mobil oil who visited South Africa were: Mr. Curtis M. Klaerner, President of the International Division; Mr. Everett S. Checkett, Executive Vice President of the International Division; and Mr. Fowler.

The visit was prompted by letters from Mobil South Africa and Mobil Rhodesia declining to furnish the documents sought by FAC personnel. Both subsidiaries cited prohibitions in the Official Secrets Acts of their respective countries. Accordingly, in order to attempt to obtain the information needed by FAC personnel (and by Mobil officials for its own investigation), the Mobil officials sought firsthand information as to whether the South Africa (and Rhodesia) Official Secrets Acts barred subsidiaries in those countries from furnishing the material.

Mr. Fowler advised FAC personnel that the officials had conferred with prominent South African legal counsel, the South African Secretary of Commerce, and the U.S. Ambassador. The firm opinion received from all sources was that the Official Secrets Act did indeed bar Mobil South Africa, or any person in South Africa, from any compliance with the U.S. Treasury Order. In fact, the members of the Mobil delegation were themselves advised that they would place their own freedom in jeopardy while in South Africa if they attempted to conduct any investigation into the matter. The sources expected the same situation to exist in Rhodesia.

(2) Contacts by Mobil's General Counsel with Officials of Mobil South Africa and Mobil Rhodesia.

On September 17, 1976, Mobil's Vice President and General Counsel, George A. Birrell, testified before the Subcommittee on African Affairs of the Senate Committee on Foreign Relations with regard to the allegations against Mobil. In the course of his testimony, Mr. Birrell discussed his attempts to obtain an explanation of one of the



Center documents (Document #16) from officials of Mobil South Africa and Mobil Rhodesia. [Mr. Birrell's testimony authenticated another document supplied by the Center, and is discussed hereafter in this report (p. 25)].

Mr. Birrell's general testimony emphasized that, for at least ten years, Mobil company policy has been to bar exports of petroleum products to Rhodesia. He stated that the policy applies to foreign subsidiaries as well as to the parent. Communications from Mobil South Africa to Mobil contained periodic reaffirmation that company policy regarding trade with Mobil Rhodesia, and Rhodesia generally, was being complied with. However, in response to a question as to where he thought Rhodesia "is getting its oil today?" Mr. Birrell replied: "Logically, it has to be coming through South Africa."

With regard to his attempts to obtain information from officials of Mobil South Africa and Mobil Rhodesia, Mr. Birrell testified that, following publication of the Center Report, he made telephone calls to several present and former employees of the firms. Among them were Mr. William F. de la Beck and Mr. R. H. Maskew of Mobil South Africa and Mr. Richard van Niekerk of Mobil Rhodesia. As has been noted above, Mr. Beck was and remains the Managing Director of Mobil South Africa and Chairman of the Boards of Directors of Mobil South Africa and Mobil Rhodesia. Mr. R. H. Maskew, an executive of Mobil South Africa, was the addressee of a letter (Center Document #16) purportedly from Mr. Niekerk, a Mobil Rhodesian employee, which apparently describes sales of petroleum from Mobil South Africa to GENTA and which contains references to the "paper chase" of intermediary companies, explicitly referred to in the letter as "our false trail being laid."

Mr. Birrell testified that Mr. Maskew would not discuss the supply of petroleum products to Rhodesia because of the Official Secrets Act. However, Mr. Maskew repeated "emphatically" several times that he would surely remember a piece of paper such as Center Document #16, that he had never received such a document, and had no knowledge of it. Mr. Niekerk, when contacted in Rhodesia, "simply declined to comment in any way because of the Official Secrets Act of Rhodesia."

(3) Investigation of the Effect of the Official  
Secrets Acts on the Investigation

Clearly, FAC personnel could not rely solely on these statements by a firm under investigation, even though there was no apparent reason to doubt their validity. Accordingly, the Department of State, acting through the U.S. Ambassador to South Africa was requested to (1) verify that the South African Officials Secrets Act actually prohibited Mobil South Africa or any other person in South Africa from supplying material such as Mobil requested from its South African subsidiary; (2) determine whether the South African Government could waive the Act to permit Mobil South Africa to supply the material; or, (3) determine whether the South African Government would be willing to obtain the documents from Mobil South Africa and make them available to FAC personnel on a government-to-government basis. On November 10, 1976, the U.S. Embassy reported to State and Treasury that the South African Government said that there was no possibility of securing such documents from Mobil South Africa.

The inability of either Mobil officials or FAC personnel to obtain information from South Africa or Rhodesia posed serious problems for the investigation. As will be discussed in further detail (p. 23), the best way to authenticate the Center documents would be to obtain the originals from the files of Mobil South Africa and Mobil Rhodesia. Were these firms located in the United States or somewhere within its enforcement jurisdiction, a subpoena could have been issued to acquire these documents, if they existed, as well as other relevant documents. But this was obviously not the case.

Further, were this an investigation of U.S. law with which the foreign governments in question were disposed to cooperate, FAC personnel might have been permitted to interview key personnel mentioned in the documents. Personnel such as Messrs. Beck, Gubb, and Maskew of Mobil South Africa and Messrs. Nicol and Niekerk of Mobil Rhodesia (all signers or addressees of Center documents) could have been questioned as to their knowledge of transactions in petroleum products between Mobil South Africa and Mobil Rhodesia. Further, many other avenues of investigation would have been possible to pursue, such as interviews of disinterested witnesses (employees at tank farms, railroads, port facilities, and the like) in both countries.

2. Second Phase--Interviews with Company Officials

Mobil was requested to make available for oral interview by FAC representatives Americans who had served on the board of Mobil South Africa while employed by Mobil.

a. Interviews with Messrs. Adams and Checkett.

The interviews with Messrs. Adams and Checkett did not result, in either case, in development of any evidence or information that would tend to show that either official had been aware of transactions in petroleum products between Mobil South Africa and Mobil Rhodesia after July 29, 1968. Both men expressed awareness of United States participation in the United Nations embargo of Rhodesia, of the Treasury Rhodesian Sanctions Regulations, and of Mobil's company policy that its foreign subsidiaries would act consistently with the United Nations embargo.

Messrs. Checkett and Adams had each made one trip to South Africa during the periods when they served as directors of Mobil South Africa. Each had been assured by Mr. William F. de la Beck, the Chairman of Mobil South Africa, that no trade transactions in oil were going on with Rhodesia. Neither ever attended any Mobil South Africa board meetings, or acted in any functional way other than as a liaison between the parent and the subsidiary. Neither had received financial and other reports of the South African subsidiaries--although they might have seen such reports on occasion. Neither knew why Mr. Beck continued as Chairman of the Board of Mobil Rhodesia after control of that subsidiary was lost following UDI and imposition of United Nations sanctions against Rhodesia.

The interviews with Messrs. Adams and Checkett focused on their roles as members of Mobil South Africa's board. Mr. Adams was later reinterviewed in detail as to the scope of his responsibility for the operations of Mobil South Africa in his capacity as President of Mobil South, Inc. (See p. 29).

b. The interview with Mr. Charles E. Solomon.

Mr. Solomon was born in South Africa and became a naturalized citizen of the United States in 1963. He was the Executive Vice President of the Mobil International

Division from 1968 to 1969, President from 1969 to 1972, and Executive Vice President and a Director of the Mobil Oil Corporation from 1969 until 1972. He retired in early 1973.

Mr. Solomon stated that, as Executive Vice President and President of the International Division, he had ultimate but not immediate responsibility for Mobil South Africa. He never had any responsibility, after July 1968, over Mobil Rhodesia. He never received reports concerning the operations of the South African subsidiaries, although he may have occasionally seen consolidated profit figures from the South African group.

Mr. Solomon has known the Chairman of Mobil South Africa, Mr. Beck, for approximately twenty years. Since becoming a Director of Mobil South Africa in 1972, he has visited South Africa every year at the subsidiary's expense. He described the purpose of the visits as to consult and advise Mobil South Africa on personnel matters.

Although he is a board member, Mr. Solomon insisted that he never receives reports on board meetings and decisions or on financial or other matters. Moreover, he insisted that on his annual trips, only one to two weeks are devoted to company matters, the remaining time being spent as vacation.

c. Interviews with other personnel of Mobil South Africa.

In addition to interviews with company policy officials directly concerned with the operations of Mobil South Africa and Mobil Rhodesia, Mobil officials who were not in policy-making positions but who were present in South Africa during the period in question, and who might have been aware of any Mobil South Africa dealings with Rhodesia, were interviewed.

On August 25, 1976, two Mobil employees who had resided in South Africa while on special assignment with Mobil South Africa (or with the Mobil Refinery in South Africa) were interviewed. Neither of those individuals was involved in pertinent decision-making roles which allowed him to gain any detailed knowledge regarding operations of Mobil South Africa or the Mobil Refinery Company. Moreover, they neither observed nor obtained any information which would have supported a belief that the Mobil subsidiaries in South Africa were supplying oil or refined petroleum products to Mobil Rhodesia, or to the Rhodesian regime.

### 3. Investigation of Possible Presence of Mobil Products in Rhodesia

As was pointed out at the beginning of this report, Rhodesia is acquiring petroleum products from some source(s) in quantities sufficient to meet its needs. This much, and the fact that the country's supplies probably are being imported from South Africa, are conceded by Mobil. Since many petroleum products such as aviation gas are transported and sold in bulk without brand identification, identification of those petroleum products with any particular supplier would be difficult.

On the other hand, many specialized petroleum products, such as oils and greases, are packaged at the refinery and sold in small containers with clear brand identification. Some of these branded products are specialized to the point where a similar product of another manufacturer will not serve for a given end use. Specifically, jet engine oil is not readily substitutable, so that aircraft which normally use Mobil jet engine oil, and which might need additional supplies en route, could not readily use a substitute brand if that were all that were available in Rhodesia.

Accordingly, two avenues of investigation were pursued:

(a) Personnel of Mobil and persons connected with airlines servicing Rhodesia (South African Airways (SAA) and the Portuguese National Airlines (TAP)), as well as other sources, were contacted to ascertain whether airlines servicing Rhodesia, and which use only specified Mobil oils and greases, were supplied with either of those products while in Rhodesia;

(b) Persons who had been in Rhodesia since the embargo were contacted to ascertain if they had purchased at retail branded Mobil products, such as automotive motor oil, or observed such products being retailed during their residence in Rhodesia.

#### a. Investigation of Possible Supply of Jet Oil to Rhodesia

##### (1) Interview with Mr. Burgeson, Mobil Aviation Department.

One of the documents furnished by Mobil officials from its U.S. files was a December 12, 1973, telegram, stamped "confidential", from Mr. W. Beck to Mr. F. Adams which read as follows:

Confirm as of December 11 we have discontinued supply and refueling of SAA/Aircraft at Salisbury and Bulawayo Airports. We have no

alternative but to discontinue services to TAP as airport refueling services are scheduled for immediate closure. Burgeson Aviation Department New York has been advised accordingly. In circumstances we request your assistance in bringing this matter to immediate finality.

On the basis of the telegram, the involvement in, and awareness of, Mobil Rhodesia's operational aviation activities by Mr. Beck and officials of the parent firm were pursued further with Mobil officials. Mobil officials had told FAC personnel that neither the parent company nor Mobil South Africa had been able to exercise any control over, or have any involvement in, the management and operation of Mobil Rhodesia since a time shortly after UDI. However, the message would seem to indicate that Mr. Adams, and Mr. Burgeson of Mobil Aviation, were familiar with operational aviation matters of Mobil Rhodesia and were aware that Mr. Beck was involved to some extent with them. Therefore, another interview with Mr. Adams was sought. Upon being informed that Mr. Adams had been transferred to a new assignment in Japan, Mr. Burgeson, Manager of the Mobil Oil Corporation Aviation Department, was interviewed.

The interview of Mr. Burgeson was conducted on September 14, 1976. At that interview, Mr. Fowler provided an explanation, which he later made available in writing, of the meaning of the telegram of December 12, 1973.

Reference to refueling at Salisbury is, we understand, to an arrangement where by Mobil Rhodesia was engaged by South Africa Airways to perform intoplane refueling services, loading fuel owned by SAA at Salisbury which SAA had obtained from other sources (not Mobil Rhodesia). Beck uses the word "we"; this was careless shorthand. He obviously meant and should have said Mobil Rhodesia, in reference to the Salisbury servicing arrangement.

Mr. Fowler added that Mobil Rhodesia no longer supplies or refuels aircraft in Rhodesia, all such services having been terminated in December 1973 because of the lack of insurance coverage in connection therewith.

Mr. Burgeson informed FAC personnel that he was responsible for operational standards for fueling and servicing aircraft in the United States and elsewhere. In addition, all aircraft fueling and servicing contracts were required to be approved by him. Prior to December 1973, Mobil Rhodesia had fueled and serviced aircraft of SAA and TAP.

Mr. Burgeson further stated that, during the period up to December 1973, when Mobil Rhodesia was servicing SAA and TAP, those airlines were using Boeing aircraft whose Pratt & Whitney engines required a brand of Mobil Oil known as "Mobil Jet Oil II" which is only produced in Mobil's United States plant at Edison, New Jersey. However, since an engine normally would not require more than a quart of oil at a service point, SAA and TAP had in all probability obtained necessary Jet Oil II in South Africa or Portugal which they then carried on board for use as needed, rather than being supplied in Rhodesia. Mr. Burgeson stated that he had never had direct contact with Mobil Rhodesia, and that all matters regarding proper maintenance or servicing by that subsidiary had been passed on to him by Mobil South Africa. Further, Mr. Burgeson stated that he had never visited Mobil Rhodesia and had no knowledge or information concerning that subsidiary's sources of supply of petroleum products.

During a January 9, 1977, reinterview of Mr. Adams, he indicated that he couldn't recall exactly what he did upon receipt of the Beck telegram. His recollection was that he would have had to call the Aviation Department and tell them the contract was being terminated. He did not recall if he acted personally or told someone else to do it. If he had done it, he said that he would have told the Aviation Department that Mobil Rhodesia would no longer be furnishing fuels to SAA in Salisbury. When asked if the discontinuation of service would extend to the engine oil that was used as well, Mr. Adams stated that he was unaware that Mobil Rhodesia possessed Jet Oil II, a Mobil aircraft engine lubricant. When asked Mobil Rhodesia's source of jet fuel, he replied that he believed at the time, and still believed, that Mobil Rhodesia had purchased it from GENTA.

(2) Inquiries of Airlines Servicing Salisbury, Rhodesia.

The information that Mobil Rhodesia was servicing international aircraft at Salisbury Airport raised certain questions. As already mentioned, aircraft use specialized engine lubricants, not ordinary automotive products. Therefore technical advice was sought as to whether there were any peculiarities about such products which might help to identify their origin. However, as ascertained from several sources, aircraft jet fuel is not in any way unique, and is usually completely interchangeable.

In contrast, jet engine oil is unique. In fact, once a particular brand of jet oil is used for Pratt and Whitney engines of Boeing 707, 727, or 747 aircraft, introduction of any other brand of engine oil may only be done for emergency reasons. Special engine flushing procedures are required to be performed at the earliest possible moment, with replacement of the substitute oil by the standard oil used in the aircraft.

Since Mobil's Jet Oil II is the normal oil used to service TAP and SAA aircraft worldwide, the substitution of some other brand at Salisbury Airport, were it necessary to add oil there would be extremely unlikely. Furthermore, aircraft engine oil is normally made available directly at the airports by the oil companies themselves, not by independent dealers. If TAP and SAA aircrafts received engine oil at Salisbury, they most likely received Mobil Jet Oil II. The acquisition of Jet Oil II in quantity for Rhodesian needs from any source other than Mobil South Africa would have been unlikely. In turn, the exclusive source of Mobil Jet Oil II is the refinery where it is produced in the United States.

This line of investigation appeared to offer a promising avenue to determine whether Mobil products were entering Rhodesia as alleged in the Center Report. Therefore, both airlines mentioned in the December 12, 1973 telegram from Mr. William F. de la Beck to Mr. Fanueil Adams regarding Mobil refueling services were contacted. The two airlines were TAP and SAA.

(a) The TAP Inquiry

Officials of TAP's New York office were contacted to ascertain if any useful information could be obtained from that office or from the parent corporation in Lisbon. The officials of the New York office cooperated by sending a telex message to Lisbon on September 2, 1976, requesting copies of all contracts with Mobil Rhodesia since July 1968 and asking:

. . . whether our aircraft 707 which were fueled and serviced at Salisbury Rhodesia by Mobil prior to 1974 received Mobil Jet Oil II and Mobil Grease 28 from local stocks during this period. If not, how were the aircraft supplied with these items at Salisbury?

Lisbon's reply read, in pertinent part, as follows:

. . . we inform that in period July 1, 1972, to June 30, 1974, we had a contract with Mobil Lisbon to furnish Mobil Jet Oil II in Salisbury.



Our maintenance service informs us not being able to ascertain whether minor supplies were made in Salisbury by Mobil Rhodesia or through Mobil at JNB [presumably this is Johannesburg]. Concerning Mobil Grease 28 we do not have any contract, only very seldom we supply this product in Lisbon. (emphasis added)

The reply from TAP officials in Lisbon neither provides any evidence that Mobil Jet Oil II was furnished to TAP planes at Salisbury Airport nor does it clearly refute the possibility.

(b) The SAA Inquiry

The New York offices of SAA were visited and certain information was requested from its head office in Johannesburg. On the basis of information that SAA had worldwide contracts with Mobil to supply jet fuel and engine oil and grease to SAA aircraft, and that SAA aircraft normally used Mobil Jet Oil II, SAA officials were requested to check Boeing 720, 727, 737, and 747 aircraft maintenance records of SAA and advise of all instances during 1975 and 1976 when any flight received any jet engine oil other than Mobil Jet Oil II, at any airport outside the U.S. SAA officials replied that only Mobil Jet Oil II was used (except during a brief test period of twelve months when Shell Jet Oil was used on engines of one Boeing 727).

FAC personnel then inquired whether, since such SAA aircraft used only Mobil Jet Oil II, was SAA supplied with Jet Oil II at Salisbury. The following reply was received via SAA's New York office from the South African Government Railways and Airways Procurement Office:

Further to your visit to this office on December 3, 1976, please be advised that Jet Oil II uplifted by South African Airways Aircraft at Salisbury is purchased in Johannesburg and carried aboard S.A.A. Aircraft for their exclusive use.

South African Airways does not have any contract for the supply neither do they purchase Mobil Jet Oil II in Salisbury.

In this instance the reply of SAA officials denies that Mobil Jet Oil II was acquired at Salisbury Airport.

Technical advice was then sought from engineering personnel of a domestic airline to determine if a Boeing 707, 727, or 747 flight could feasibly originate at London, stop at Salisbury, and then continue on to its final destination at Johannesburg without adding engine oil en route (i.e. at Salisbury). The technical advice received was that the oil tanks for the Pratt and Whitney engines in the Boeing planes contained 6-7 quarts of engine oil per engine at origin depending on the equipment (707 or 747). For such engines to use more than 1-2 quarts per engine during a flight of 6824 miles (London to Johannesburg) would be abnormal and oil would not be added at an intermediate stop such as Salisbury.

From this advice replies from TAP and SAA officials were plausible, and this line of investigation could not be used to establish the presence of Mobil specialized lubricants at the Salisbury Airport.

b. Inquiries of U.S. Persons who had lived in Rhodesia

An effort was made to determine whether other branded Mobil products such as automotive engine oils were being retailed at Mobil stations in Rhodesia. If this were the case, the oils in their branded containers could presumably have originated at the Mobil refinery in South Africa.

Accordingly, the files of FAC were checked to compile a random list of Americans who had formerly resided in Rhodesia, and who might recall whether Mobil branded products were being sold during the embargo period. Such persons were asked if they had observed quart-sized containers of Mobil brand motor oils or lubricants at service stations while residing in Rhodesia. None of the persons contacted had in fact observed such Mobil products in Rhodesia. (Many of them had no recollection at all in this regard).

4. Evaluation of the Center Documents

a. Authenticity of the Documents

The Center documents all conceivably could be authentic and, if so, they would constitute convincing evidence of the truth of the allegations that Mobil South Africa was supplying Mobil Rhodesia through several intermediary companies. On the other hand, all of the documents could conceivably be forgeries intended to promote a tightening of the Rhodesian embargo, embarrass the oil companies, or advance other objectives. The best way to establish their authenticity would be to produce and examine the originals from company files. As explained in this report (p. 15), this proved to be impossible due to the secrecy laws of South Africa and Rhodesia.

Another way to establish the authenticity of the documents would be to have a witness testify under oath to their origins. However, the documents are reproductions of documents purportedly taken (or copied) from company files by anonymous members of a claimed secret organization called OKHELA. There is no witness available to testify as to how the originals were obtained, who copied them, when and where they were copied, or how they reached Center custody.

If the account of their origin given in the Center Report is true, the reasons for the lack of witnesses is understandable. On the other hand, the account may be false--the documents may be forgeries--there is no way to know. In the absence of some corroborative evidence upon which to substantiate the validity of the Center documents, the documents could not be used as the basis for a criminal case. Therefore, other ways of testing the genuineness of the documents themselves were sought.

(1) Handwriting Analysis of Center Documents

One possible way to authenticate the Center documents would be by expert analysis of the signatures, if any. Most of the reproductions published in the Center Report were unsigned. However, one of the reproductions, Document # 2 contained the full signature of "N.H.W. Gubb", an employee of Mobil South Africa. For purposes of authentication of the Center documents, Center officials were asked to supply the originals of the reproductions published in the Center Report and any other documents or information which had not been published.

Center officials were not in possession of any of the originals, but did furnish a copy of Document # 2. That document is in actuality a four-page letter, only about one page of which (page 1) had been published in the Center Report. In that publication, the signature block had been cut from page 4 and juxtaposed at the bottom on Page 1. In addition, Center personnel furnished an unpublished OKHELA document. This is a June 25, 1974 letter addressed to "Mr. J. B. Nicol, Salisbury" (the manager of Mobil Rhodesia). The letter was signed "Bill" over typed initials "WFB/nd". In addition, the name "W.F. de la H. Beck" was stamped on the top of the first

page. The letter specifically discusses the supply of Mobil brand products in Malawi but contains the following references to Rhodesia:

"I do not think it is necessary for me to repeat what I have often said, and that is that I do not approve of personal correspondence. On a matter such as this, which does not have any security implications which might attach to Rhodesia, it is essential that the matter be raised in officials correspondence."

The U.S. Secret Service was asked to furnish an opinion as to the genuineness of the signature of "N. H. W. Gubb" on Document #2 and of the abbreviated signature "Bill" on the unpublished letter of June 25, 1974. For this purpose, genuine documents bearing the original signatures of Mr. N. H. W. Gubb and Mr. W. F. de la H. Beck were obtained from Mobil officials and made available to the Secret Service as a basis for comparison.

With respect to Document #2, upon completion of its analysis, the Secret Service provided FAC personnel with a report which concluded in pertinent part:

. . . all of the evidence that is present is consistent with . . . (Document #2) being a reproduction of a four-page letter that was prepared continuously and signed by Mr. Gubb.

With respect to the June 25, 1974 letter, the Secret Service also reported that the handwriting in the short signature "Bill" was consistent with the full signature of Mr. W. F. de la H. Beck in the genuine document provided by Mobil for comparison purposes.

(2) Testimony of Mobil's General Counsel Regarding Authenticity of the Documents

In his testimony before Congress on September 17, 1976 Mr. Birrell, Mobil's General Counsel, verified the authenticity of the June 25, 1974 letter purporting to be correspondence between Mr. William F. de la Beck and Mr. J. Berwick Nicol. Mr. Birrell's testimony regarding his conversation with Mr. Beck as to the significance of certain statements in the letter is discussed below (p. 26).

In response to a specific question as to whether "you do verify the authenticity of the memorandum, the Beck memorandum," Mr. Birrell replied: "Yes sir. I might say that it is not a piece of private correspondence. That is official correspondence."

(3) Summary

To sum up the evidence as to the authenticity of the Center documents, the testimony given by Mr. Birrell authenticated one document obtained by the Center. Treasury officials also authenticated this same document by handwriting analysis. Document #2 was also authenticated in the same manner.

Had one or more of the documents subjected to Treasury analysis proved to be a forgery, this would have cast serious doubt on the authenticity of the entire group of documents. By the same token, the fact that two documents obtained by the Center were authenticated tends to lend some limited credence to the authenticity of the rest of the documents. However, the possible inference that all the documents are authentic is substantially weakened by the fact that one of the two authenticated documents is not on its face incriminating and the one that was clearly incriminating (Document #2) was signed by a lower level official of Mobil South Africa. Obviously, an inference of overall authenticity would have been much stronger if a document more central to the Center's case, such as Document #16, had been authenticated.

b. Discussion of the Substance of the Authenticated Documents

(1) The June 25, 1975 letter signed by Mr. Beck

In his testimony Mr. Birrell stated that, with a facsimile copy of the letter in hand, he had contacted Mr. Beck by telephone in Johannesburg. Mr. Birrell read the first paragraph of the letter to Mr. Beck and asked if he could explain the phrase "security implications which attach to Rhodesia."

Mr. Birrell stated that Mr. Beck's response was: "I remember the letter very well. It was written because, as it indicates, one of the people in Rhodesia wrote to somebody in Mobil South Africa on a personal basis about the subject of price and supply policy in Malawi." According to Mr. Birrell's testimony, Mr. Beck claimed that such personal correspondence was contrary to company policy and that the one subject on which he would not tolerate unofficial correspondence was one having security implications. In Mr. Beck's words:

"My chief responsibility is to attempt to preserve and protect the physical assets of Mobil Rhodesia. Only if you want to tell me something about threats of vandalism, riots, plans to destroy our physical property in Rhodesia which you may not want to put into official correspondence which is seen by a number of people, can you use personal and confidential channels. Otherwise, all subjects are to be covered in official correspondence."

Mr. Birrell testified that Mr. Beck had assured him that the document in question had "nothing to do with petroleum products supply." The June 25 letter does appear, however, to discuss an operational matter regarding fuel supply (apparently for Mobil Malawi) as follows:

Our answer, therefore, in regard to Lube Oils and Greases is that we shall naturally be willing to sell our branded products at normal list prices. This will at least ensure that Malawi does not run short of these products.

In regard to refined fuels, we definitely do not wish to take any lead in discussions with Oilcom. Colin--in the event of being approached on this matter--should merely state that he is not in a position to give any answer and that the matter will have to be referred to Cape Town who control Mobil's Durban refinery.

As previously noted, Mobil U.S. claimed that Mobil Rhodesia operated under "mandate" and neither Mobil U.S. nor Mobil South Africa had any operational control over the Rhodesian subsidiary. This seems somewhat contradictory to the operational instructions given by Mobil South Africa to Mobil Rhodesia in the above-quoted letter of June 25.

Mr. Birrell's own explanation of the correspondence between Mr. Beck and Mr. Nicol, concerning Malawi, was that Mobil Oil Malawi (a separately incorporated company) was not a subsidiary of Mobil Oil Rhodesia, and is supplied from South Africa. However, since Mobil Oil Malawi has limited personnel, sales advice and coordination historically were furnished by the manager of Mobil Rhodesia, and that was "the reason Mr. Beck was writing Mr. Nicol on that subject."

Mr. Birrell's explanation of the subject matter of the document cannot be independently verified. However, the possibility cannot be excluded that Mobil South Africa consulted with Mobil Rhodesia regarding operational matters of

Mobil Malawi without at the same time exercising any operational control over Mobil Rhodesia itself.

On the other hand, Mr. Fanueil Adams, President of Mobil South, which encompassed the Mobil subsidiaries in all three of the above countries, explicitly states that Mobil South Africa had operational responsibility for Mobil subsidiaries in Malawi and some of the other small African countries. Mr. Adams was specifically asked whether Mobil Rhodesia had any responsibility for operations in any of these countries and he said, "No. No." This is in direct contradiction to the explanation offered by Mr. Birrell.

(2) Document #2 signed by Mr. N. H. W. Gubb

Document #2 is a letter from Mr. N. H. W. Gubb of Mobil South Africa to Mr. W. J. R. Jackson, ostensibly of Mobil Rhodesia, with the title "Hexane". The letter, dated 3 December 1973, contains explicit and detailed discussion of Mobil South Africa's plans to supply hexane to Mobil Rhodesia in the following months and throughout 1974. Among other matters, the letter refers to plans to cover part of Rhodesia's requirements from a "US Gulf source".

Senior officials of Mobil U.S. who were questioned by FAC personnel regarding the position of Mr. Gubb in Mobil South Africa had no knowledge of him. However, another letter signed by Mr. Gubb on behalf of Mr. W. F. de la Beck (the Chairman of Mobil South Africa) was furnished to FAC personnel by officials of Mobil U.S. for purposes of the hand-writing analysis. This letter was addressed to a Mobil U.S. employee, with copies to be sent to three other persons in Mobil U.S. One of the latter, Mr. Kolinger, Commercial Marketing Manager of the International Division of Mobil, was able to provide information on Mr. Gubb's position with the South African affiliate.

Mr. Kolinger advised that from early 1973 to sometime in 1975 (he believed the end of 1975), Mr. Gubb was Special Products Manager of Mobil South Africa. In this position, he held one of seven staff advisor positions which report to the Commercial Sales Manager of Mobil South Africa, who in turn reports to the General Manager of Mobil South Africa, Mr. Beck.

Mr. Gubb's job was described as a specialist in waxes, solvents, and chemicals. His duties and responsibilities are to develop technical information on those product lines and provide such information to the line operating organization. Mr. Kolinger believed that Mr. Gubb, in his position, would not have any authority to make sales because sales are a function of the line organization.

Mr. Kolinger advised that sometime toward the end of 1975, Mr. Gubb's job was changed to Regional Commercial Manager (one of several such positions with Mobil South Africa), and he believes that Mr. Gubb is in this position now.

Mr. Kolinger did not know, but doubts, that Mobil South Africa's Chairman, Mr. Beck, had any specific or direct knowledge of Mr. Gubb's actions because Mr. Gubb is three steps removed from Mr. Beck in the management chain. Mr. Kolinger stated that it is normal procedure for all correspondence from a foreign affiliate, such as Mobil South Africa, to headquarters in New York, to go out in the name of the general manager, such as Mr. Beck, and to be signed for him by a person at a subordinate level, without the general manager approving or directing the particular action. Mr. Kolinger also indicated that Mr. Gubb would not be regarded as being at the senior management level of Mobil South Africa, but would be more like an intermediate-level technical staff assistant.

Mr. Kolinger's explanation of Mr. Gubb's position in Mobil South Africa, and his relationship to the Chairman (and general manager) Beck, is consistent with the content of the January 16, 1975 letter by Mr. Gubb. At first glance, the fact that Mr. Gubb signed the letter for the general manager, would seem to indicate that Mr. Gubb might have the power to act for the general manager, and would support an inference that Mr. Beck knew Mr. Gubb and his activities very thoroughly. On the other hand, the letter concerns a trivial matter (a request for free laboratory aids offered by a chemical company) that would not require the general manager's attention.

In contrast, however, the role of Mr. Gubb which is disclosed by Center Document #2 is sharply at odds with the role of Mr. Gubb as described by Mr. Kolinger. Although the incriminating Center Document #2 does deal with Mr. Gubb's specialty, namely solvents, it shows that Mr. Gubb, in corresponding about the supply of hexane to Rhodesia, wrote as if he were a line marketing official, which Mr. Kolinger claims was not then the case.



##### 5. Reinterview of Mr. Faneuil Adams

On January 9, 1977, FAC officials reinterviewed Mr. Faneuil Adams, Jr. at FAC offices in Washington. Mr. Adams was serving at that time as General Manager of Mobil Sekiyu, Tokyo, Japan and made a special trip to Washington solely for purposes of the interview. Mr. Adams was questioned about various matters within the scope of his responsibility in his prior positions as President of Mobil South from 1972 to 1975.

In his position as President of Mobil South, Mr. Adams had "general responsibility for the overall operations of numerous affiliates" (approximately 40) including all of those in Africa except in the former French possessions. His responsibilities included general supervision over both Mobil South Africa and Mobil Rhodesia. Mr. Adams explained that he had visited Southern Africa in December 1972 and listened to a fairly complete explanation of the overall operations of Mobil South Africa and the other countries for which it had some responsibility. The Chairman and General Manager, Mr. Beck, attended that meeting as did some of his principal associates. In other words, the Managing Director of Mobil South Africa and his three senior managerial associates were present at this meeting with the parent company's representative.

Mr. Adams stated that at this meeting he became specifically aware of the Mobil company policy against supplying petroleum products to Rhodesia and continued to be aware of the policy subsequently. Admittedly, he had had a general awareness of the existence of the embargo before that time from the press. In response to a question as to what specific measures Mr. Adams took as President of Mobil South to implement company policy against trade with Southern Rhodesia, Mr. Adams simply replied that he was convinced from everything he heard from Mr. Beck and his associates that company policy was being followed.

When Mr. Adams asked General Manager Beck how Rhodesia was being supplied with petroleum products, Mr. Beck stated on each occasion that it (Mobil Rhodesia) was purchasing its needs from a Rhodesian Government agency. Mr. Adams never asked the General Manager the specific question of whether Mobil South Africa was in fact supplying products to Mobil Rhodesia. However, Mr. Adams stated that he became convinced, from the tenor of his conversations with the General Manager, that officials of Mobil South Africa understood the policy against supplying Rhodesia and were following it. In reply to questioning, Mr. Adams stated that his major source of information with regard to affairs of Mobil Rhodesia was the General Manager, who communicated important matters to him through a monthly management letter and various ad hoc communications.

It will be recalled that Center Document #2, discussed above, dealt with the supply by Mobil South Africa of Mobil Rhodesia's 1974 hexane requirements. Such supply did not necessarily violate U.S. regulations--that would depend on the state of knowledge of the transaction by any U.S. citizens, such as Mr. Adams, who were principal managerial personnel responsible for Mobil South Africa.

The questioning of Mr. Adams was directed at two basic points:

- (a) What was his actual knowledge; and
- (b) What standard of conduct did he follow?

Mr. Adams, in reply to questioning, stated that he was not personally acquainted with Mr. N. H. W. Gubb the signer of that letter. Mr. Adams stated that he did not know of the man by any means, either direct or indirect. He did not know what the man's position and role in Mobil organization were, and did not know, or did not recall if he ever knew, Mr. Gubb's relationship to General Manager Beck in Mobil South Africa. Mr. Adams indicated that the personnel whom he met with in South Africa in 1972 were the next tier of managers below General Manager Beck and that Mr. Gubb was not one of these.

Mr. Adams was asked whether he would assume that, as General Manager of Mobil South Africa, Mr. Beck would be expected to be fully aware of all matters or actions of his staff, insofar as they related to major aspects of company policy. Mr. Adams stated that "I really don't know how the details of the organization in Mobil Southern Africa work." Mr. Adams was asked whether he or the General Manager would be informed of major matters, matters involving a deviation from company policy. Would members of the General Manager's staff advise him if they were deviating from company policy? Mr. Adams stated, "I guess it would depend on whether they wanted to keep it a secret from Mr. Beck or not."

Mr. Adams was further asked whether, if someone in Mobil South Africa had agreed to sell or had engaged in selling a product such as hexane to Rhodesia, would the General Manager have learned of it. To this, Mr. Adams replied "Well, if, as I believe, this would be violation of company policy, and if somebody did this in violation of company policy, I think they would probably try to keep it a secret from Mr. Beck." Mr. Adams was also asked what the General Manager would do if he learned of such a violation. Mr. Adams replied that he certainly would have stopped the sale but "whether he would have reported to me that he stopped the sale or not, I am not sure--in my opinion."

Mr. Adams, and his counsel present at the interview, felt that it was too speculative for Mr. Adams to give an opinion on whether, if the General Manager had failed to report such information, it would have been a violation of company policy. Mr. Adams stated that the General Manager never made any representations as to his personal convictions about company policy. Mr. Adams simply said that the "whole series of assumptions underlying the conversation made it so clear that we both understood what the policy was and believed that officials of Mobil Oil Southern Africa were following that policy. So that we never felt it was necessary to specifically say: 'Are you following the policy, Mr. Beck?'"

Mr. Adams was further questioned as to whether, if the General Manager knew about an improper activity such as the shipment of hexane to Rhodesia, would he not be in breach of his obligation to Mr. Adams as his supervisor if he didn't bring the transactions to his attention? Mr. Adams replied that the General Manager would certainly know that he would like to be informed to the matter. But when asked whether a subordinate in that position would bring the matter to his attention, Mr. Adams replied that normally he would, but in South Africa, with the restrictions of the Official Secrets Act and the like, he was not sure how Mr. Beck would react.

With respect to the hexane letter signed by Mr. Gubb, Mr. Adams was asked whether the General Manager would have learned of this category of correspondence, in view of its policy significance, without regard to Mr. Gubb's status in Mobil South Africa. Based on the content of the letter, and the amount and types of products involved, did Mr. Adams think that the General Manager would in the ordinary course of business, have learned of this? After looking at a copy of the document, Mr. Adams stated, "I cannot really say. I don't really know."

At the conclusion of the interview, in response to a suggestion by counsel for Mobil, Mr. Adams gave his opinion as to whether there was any basis for an assumption that hexane or any other product was sold by Mobil South Africa to Mobil Rhodesia or that the General Manager had knowledge of any such activities. Mr. Adams stated that he had no reason to believe such an assumption and had always believed that it was not so.

In this connection, Mr. Adams relied very heavily on the General Manager of Mobil South Africa. However, he stated that he believed that the General Manager might have concealed known violations of company policy from him. He also stated that subordinate officials might not have been telling the General Manager the whole truth about their activities with respect to Rhodesian trade.

The standard of conduct expected by the Treasury of U.S. persons who are officers or directors of a foreign corporation is that they must exercise their best efforts to prevent the corporation from dealing with Rhodesia.

### III CONCLUSIONS

#### A. Primary Evidence

(1) The primary source of evidence to establish the true facts as to whether Mobil did or did not deliver petroleum products to Rhodesia exists in the files of the companies in South Africa. This source of evidence was denied to the Treasury investigators by virtue of the South African secrecy laws. The investigators were thus forced to seek secondary evidence.

#### B. Secondary Evidence

(1) The analysis of production vs. consumption data was inconclusive.

(2) The attempt to establish whether or not Mobil Jet Oil II was being stocked in Rhodesia was inconclusive.

(3) The attempt to establish whether Mobil branded products were being sold at filling stations in Rhodesia was also inconclusive.

#### C. Documentary Evidence

(1) The "Center" documents (with two exceptions) could not be authenticated. In the absence of authentication, each document is no more than a written statement or communication which may either be what it purports to be or may, in fact, be a forgery.

(2) One authenticated document (Center Document #2) does relate to the supply by Mobil South Africa of hexane (a petroleum product) to Mobil Rhodesia. Here again, the fact does not by itself establish a violation of United States law.

Note: The possibility that Mobil South Africa supplied hexane to Rhodesia from a U.S. source (p. 28) has been referred to the Department of Commerce, Office of Export Administration, for investigation.

Index of PersonalitiesFaneuil Adams, Jr.

Currently a Vice President of the Mobil Oil Corporation's International division, and head of Mobil operations in Japan and the Far East. From 1972 to early 1976 he was President of Mobil South, Inc., and a member of the boards of the South African subsidiaries, Mobil South Africa and Mobil Refining Company.

George A. Birrell

A Vice President and the General Counsel of the Mobil Oil Corporation. Mr. Birrell was the initial contact within the company for the FAC investigation of Mobil. He also was the principal Mobil witness at the September 17, 1976, hearings held by the Senate Foreign Relations Committee's Subcommittee on African Affairs.

Everett S. Checkett

From 1971 to 1972 Mr. Checkett was President of Mobil South, Inc. From 1972 to date he has been Executive Vice President of the Mobil Oil Corporation's International Division. He has also been a Vice President of the Mobil Oil Corporation since 1975.

William F. de la Beck

Mr. Beck is Chairman of the boards of directors of Mobil Oil South Africa, Mobil Refining Company, and Mobil Rhodesia. He has held such positions from a time predating the Treasury's Rhodesian Sanctions Regulations. Mr. Beck is a Republic of South Africa national.

J. Edward Fowler

General Counsel of the Mobil Oil Corporation's International Division. The International Division is the umbrella for all of Mobil's foreign operations and subsidiaries. Mr. Fowler served as the Mobil official responsible for Mobil's compliance with the Treasury Administrative Order issued during the investigation and served as the company's contact point with FAC.

N. H. W. Gubb

A Republic of South Africa national and an employee of Mobil South Africa. Mr. Gubb's signature appears on a December 3, 1973, letter (Center Document #2) to a Mobil Rhodesia employee which discussed supplying of Hexane to Mobil Rhodesia.

Curtis M. Klaerner

He also serves as a member of the Mobil Oil Corporation's Board of Directors, President of the Mobil Oil Corporation's International Division, Executive Vice President, and member of the Executive Committee.

R. H. Maskew

A Republic of South Africa national and former executive (now retired) of Mobil South Africa. Mr. Maskew was the addressee of Center Document #16, a letter from an employee of Mobil Rhodesia which outlined and discussed the overall plan for clandestine supplying of Mobil Rhodesia's petroleum needs.

J. Berwick Nicol

A Rhodesian national, Mr. Nicol has been the Managing Director of Mobil Rhodesia from a date prior in time to promulgation of the Rhodesian Sanctions Regulations.

Richard Van Niekerk

A Rhodesian national and former employee (now retired) of Mobil Rhodesia whose name is shown as author of the September 1968 letter to R. H. Maskew (Center Document #16) which outlined and discussed the overall plan for clandestine supplying of Mobil Rhodesia's petroleum needs.

Charles E. Solomon

Executive Vice President of the Mobil Oil Corporation International Division from 1968 to 1969; President of the International Division and a Mobil Oil Corporation Director from 1969 to 1972; and a Mobil Oil Southern Africa Director from 1972 to the present. He is a naturalized citizen, originally from South Africa.

Index of OrganizationsCenter for Social Action

An activity of the United Church of Christ, a United States religious organization.

Genta

Reportedly a separately incorporated company which is 100% owned and staffed by the Rhodesian Government, which is responsible for the importation of oil into Rhodesia.

Mobil Oil Corporation

A United States Corporation whose stock is traded on the New York Stock Exchange. It is among the ten largest United States companies, and has extensive foreign operations.

Mobil Oil Corporation, Aviation Department

The Aviation Department of the Mobil Oil Corporation is a sub-unit of the International Division.

Mobil Oil Corporation, International Division

The International Division is the part of the Mobil Oil Corporation which has responsibility for all Mobil foreign operations.

Mobil Oil Malawi

Separately incorporated Mobil subsidiary in Malawi.

Mobil Oil South Africa

A wholly-owned Mobil subsidiary which is incorporated under the laws of the Republic of South Africa. This subsidiary has several subsidiaries of its own within South Africa, and is also responsible for other Mobil subsidiaries in Malawi, Zambia, Mozambique, Lesotho, and other nearby countries in South Africa.

Mobil Refining Company Southern Africa

A wholly-owned Mobil subsidiary incorporated under the laws of the Republic of South Africa. This company refines imported

crude oil for distribution and marketing in Southern Africa by Mobil Oil South Africa.

Mobil Rhodesia

A wholly-owned Mobil subsidiary which is incorporated under the laws of Southern Rhodesia. Operating results are included in those of Mobil South Africa.

Mobil South, Inc.

Mobil South, Inc., is a separately incorporated United States subsidiary of the Mobil Oil Corporation. It is an umbrella regional organization with responsibility over most of Southern Africa. Mobil South, Inc., is directly responsible to and is under the direction of the International Division.

OKHELA

Reportedly a clandestine Republic of South Africa organization whose stated mission is to actively oppose fascist apartheid, settler colonialism, and imperialism.

Transportes Aereos Portuguesa, SARL (TAP)

A Republic of Portugal air-carrier.

South African Airways (SAA)

A South African air carrier.



Mr. DIGGS. I just have one other question. The GAO report states that your office which is implementing the sanctions regulations has an investigative staff of only three people, one of whom is based in New York. I just wonder how you can handle this matter under these rather limited circumstances.

Mr. SOMMERFIELD. I wonder myself. I would be happy if we had more staff, although we are not actively seeking it. But the answer is that we assign our investigations to cases with the greatest priority. Mobil was given a high priority. Also, as an office of the Department of the Treasury we have the ability to call on other elements of the Treasury, such as Customs for investigative assistance in the field. Further, we can call on Alcohol and Tobacco Tax and on the Secret Service for investigative assistance when necessary. We do this when we think it is appropriate. Generally, we prefer to use our own people because they are experienced in our type of investigation and they know what to look for. If you use other agency investigators, you often have to educate their investigators about our regulations and about international trade and finance. It takes longer, and you can't get as quick an investigation, despite the quality of the investigators.

Mr. DIGGS. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

I have read newspaper accounts quoting the author of the Byrd amendment, so-called, stating that there was some resistance to our certification program and some other nations were not happy about it, were not willing to comply. Would you comment on that situation? Have you run into resistance problems?

Mr. SOMMERFIELD. I would say, sir, that a number of countries felt they had their own laws enforcing the U.N. sanctions, and weren't terribly interested in the United States coming around and trying to persuade them to tighten up what they felt they were already doing. Some of the countries, particularly those with good records in this area, almost felt that we were kind of Johnny-come-latelies here, telling them what to do.

But the current situation, as I said earlier, is that we are confident that we will be able to reach satisfactory certification agreements with virtually every major industrial country that exports chrome materials to the United States.

Mr. BUCHANAN. Do I understand you are asking them to certify that what they export to us does not contain Rhodesian chrome? Or are you asking them to certify that they do not import Rhodesian chrome at all?

Mr. SOMMERFIELD. The certification procedures have two alternative types of certification procedures. One requires that any company which wishes to export to the United States will have to agree to these standards, but that other companies in the same country which are not interested in exporting to the United States could comply with their national standards, rather than with our requirements.

In that situation, you have the risk that suspect materials might come into the unregistered company and flow over to the registered company. This situation requires some very tight and complex controls at the mill level.

During the negotiations, it became apparent that virtually all countries would prefer what we call a simplified national barrier procedure. Under this procedure, they put a barrier around the whole

economy of the country just as we do at the port of entry, and don't import chromium from South Africa at all for any purpose without laboratory testing.

Mr. BUCHANAN. You mean from Rhodesia?

Mr. SOMMERFIELD. Everybody says they don't import from Rhodesia. That is not the issue. The question is whether there are suspect materials being imported via South Africa. What we are trying to do is screen out and make sure the producer is not acquiring Rhodesian chrome in the guise of South African chrome. It is possible to laboratory-test South African material to distinguish it from Rhodesian material. The countries are agreeing to this type of barrier procedure, such as we have in the United States, where no chrome is imported from South Africa unless it is tested to make sure it is not Rhodesian chrome.

In addition, no chrome is imported by a foreign steel producer from third countries, for production into goods destined for the United States, unless the chrome imports are also controlled to insure that the steel was produced from "clean" chromium material. So you have a closed circuit around virtually the entire world, which precludes the import into any country of Rhodesian chrome, either directly or via South Africa.

Mr. BUCHANAN. Of course, one of the problems that the opponents of repeal kept bringing up to those of us who were proponents of repeal of the Byrd amendment was that there was a lot of cheating going on. I assume this certification does lay on these countries an obligation to certify that whatever they are exporting to this country does not have chrome or ferrochrome of Rhodesian origin because the proponents kept insisting there was a good deal of direct importation from Southern Rhodesia by other countries, notwithstanding any claims to the contrary.

I assume your certification requires that they state that it does not contain Rhodesian chrome.

Mr. SOMMERFIELD. The certification not only requires that, which virtually everybody says they agree with, because everybody agrees with the U.N. sanctions. But we went beyond that and tried to close up the loopholes, and obtain their cooperation and enforcement by the laboratory testing technique and the closed circuit national barrier technique, so that all countries will come to a cooperative type of enforcement which we think will be much better than a mere certification of non-Rhodesian content.

Mr. BUCHANAN. At this point, is the flow still interrupted from such countries?

Mr. SOMMERFIELD. No, sir. We have an interim procedure, while we complete negotiations, which permits them to certify on a simplified basis that either the goods were in shipment on March 18 or were produced under their laws enforcing the U.N. sanctions relating to Rhodesian chrome.

Of course such a simplified certificate by itself would not meet the intent of the act. That is the purpose of the current negotiations, which we believe are very substantially advanced. However, we may have to give some countries a little more time to conclude agreements with us. In one case, they can't get a political decision until June 17. That doesn't give much time to implement. So we may have to give them a little more time.

Another country just had a national election and couldn't make a political commitment to this certification procedure until after the campaign was over, since the country's political leaders were out in the boondocks campaigning.

Some countries are ready to sign certification agreements promptly. We think we have reached agreements with virtually everybody unless something unexpected goes drastically wrong.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. DIGGS. Does counsel have any questions?

Ms. CHALLENGER. Mr. Chairman, there are some questions we could submit to the Treasury Department to which they could submit a written response.

Mr. DIGGS. We appreciate your cooperation.

Mr. SOMMERFIELD. Thank you, sir.

Mr. DIGGS. Thank you very much.

Our next and final witness will be the distinguished former Prime Minister of Southern Rhodesia, Hon. Garfield Todd.

Mr. Todd was the Prime Minister of that country from 1953 until 1958. He has since that time continued among those forces seeking an equitable solution to the tragedies that beset his beloved country.

We are always particularly delighted to see you, Mr. Prime Minister, and to express our profound respect for your continued commitment.

You have submitted a prepared statement, a short statement. Presumably we could get to any questions we might have to take advantage of your presence.

#### **STATEMENT OF HON. GARFIELD TODD, FORMER PRIME MINISTER OF SOUTHERN RHODESIA**

Mr. TODD. Mr. Chairman, thank you very much for this opportunity to appear before you and your committee.

At the breakup of the Federation of Rhodesia and Nyasaland in 1963 the Government of Rhodesia was expected to be given its independence from Great Britain. This was refused because the whites were unwilling to adopt a constitution which would adequately share power with the black population. The British Prime Minister made a last desperate visit to Salisbury in November 1965, and on his return to London expressed fear of a unilateral declaration of independence. Mr. Wilson at that time made the tragic mistake of stating that Britain would not use force to stop a rebellion. This was a blank check for Mr. Smith and on November 11, 1965, he declared Rhodesia to be a sovereign state.

The imposition of sanctions has not achieved its purpose of bringing down the Smith regime because South Africa has maintained an open door. Despite this, the closure of rail and road with Zambia and Mozambique and the fact that sanctions means we buy in the dearest market and sell in the cheapest market, all have imposed great hardship on Rhodesia. Sanctions are an important factor in our endeavor to force Mr. Smith to a settlement.

When Mr. Smith announced on September 24, 1976, that he had been forced by Dr. Kissinger and the West to accept majority rule within 2 years there was rejoicing amongst his opponents and relief amongst a good many whites who are not extreme racists. Soon it became apparent, however, that Mr. Smith had no intention at all

of transferring power from white to black and the whole exercise has proved to be another timewasting move on Mr. Smith's part.

The war situation has worsened since January 1975, and about 5,000 people have now been killed, the great majority being black civilians. The Government has commanded its security forces to achieve the impossible and in an Indemnity Act passed in 1976, and made retroactive to January 1972, has cleared the way for mounting terror against the black population.

The horrors of the war are not deterring the black population from escalating the struggle but many white soldiers are now asking what they are fighting for. For Mr. Smith the situation militarily and economically is deteriorating, but it might take some years for the guerrilla forces to achieve victory.

This being so, it is so desirable, imperative, that maximum outside pressure should be brought to bear on Mr. Smith to capitulate. However the positive side must be even more strongly emphasized. By that I mean that the whole population of Rhodesia should be given assurance that an administration elected by the people on a universal franchise will receive maximum support from the free world.

The present Anglo-American initiative is good but it does not go far enough. If a constitution is drawn up by Britain and offered to Mr. Smith, what new or stronger measures may be pressed if the offer is rejected? This, it appears, is the crucial point.

I believe that the British Government is very anxious to finalize the Rhodesian exercise and that they are clear in their minds about the necessity for a democratic franchise. I am not sure about Britain's determination, and hold that before the Constitution is offered, the United States of America and Britain should make it clear that together they will pursue every possible initiative until power is transferred from white to black. Such a declaration has not been given to date.

America has relations with Mr. Vorster who could turn off the oil and bring the war to a halt. That is the key to a quick solution. But if this cannot be achieved America should reaffirm its stand on sanctions which can now be credible as the Byrd amendment has been repealed. It should also announce that all imports, from, for example, Japan, that contain Rhodesian chrome will be banned.

Mr. Smith and his followers have not yet given up the belief that America will come to their aid if they can produce a Cuban prisoner. Clear statements on America's attitude in this regard could have a shattering effect on Mr. Smith's morale.

Mr. Chairman, I made the statement short because I am here and I thought it might be more helpful to leave the matter open for questions which could probe areas I have not mentioned.

Mr. DIGGS. Thank you very much, Mr. Prime Minister.

I am going to yield to the gentleman from Alabama, Mr. Buchanan.

Mr. BUCHANAN. Mr. Prime Minister, you mentioned on page 3 of your statement that "America should reaffirm its stand on sanctions which can now be credible as the Byrd amendment has been repealed. It should also announce that all imports that contain Rhodesian chrome will be banned." Is it your feeling or information that in the case of Japan there is importation of Rhodesian chrome and some such action is needed by our country?

Mr. TODD. Rhodesia sells her chrome somewhere in this world. I don't know where she is selling it. She has been selling it legally to

the United States of America. When the Byrd amendment was repealed the Government of Rhodesia said it really doesn't matter very much, "We have plenty of places to which we can send our chrome." So the chrome is going somewhere. There are not many big manufacturing countries which could use chrome in a big way.

I know one thing, that countries which do use it will be exporting their products. All I am suggesting is that for example Japan and France are two examples of countries which send a great deal of goods through South Africa of course to us as for example the oil flows through South Africa to us. The oil, of course—anyway, that is the end of that.

Mr. BUCHANAN. Thank you, sir. Could you tell me how many black Rhodesians are now in the so-called protective villages and could you tell us what the conditions are in those villages? What kind of restrictions are placed on the people?

Mr. TOMB. The black population is over 6 million and of that more than half a million have been taken out of their villages and moved to consolidated villages in some cases which are not protected but bring the people into an area where they can be controlled. Therefore, they believe by doing this that they can more easily control the guerrillas who will be coming in from the countryside and don't find it easy to find shelter or food.

Then there are protective villages which are closer to the borders and where the people, they say, are in danger from the guerrillas themselves. So half a million people have been taken from their homes and put in places which are far from habitable. It is very difficult for the Government under the present conditions anyway to set out on an exercise to rehouse half a million people with water and sanitation facilities. It hasn't been able to do that. That situation is bad. But even worse, I suppose, are the open villages where the guerrillas do come and find comfort and find help. The Government tries to pretend that the guerrillas and the people as a whole are different. But of course the guerrillas don't come from Mars. They come from the villages of the people. When they come back into Rhodesia from the countryside they know their own villages. They know the whole area. And they are welcomed by the people because the guerrilla movement is the cutting edge of the nationalist movement.

When the government says that all nationalists are Marxists, I mean they say the people that are leading the guerrilla movement and so on are all Marxists, but in actual fact the whole thing is really explained by these people being nationalists. You don't have to go beyond that. The reaction of the people and the rebellion now of the black people against the white government is fully explained by their being nationalists so that the government has found itself in an impossible position. They cannot distinguish a terrorist, as he is called, from the people roundabout unless he is holding his gun or has put on a special uniform.

Under these circumstances they have had to bring in a law which allows increasing terror to be exercised against the villages and the people. In 1976, they brought in an Indemnity and Compensation Act which says that any action on the part of any government employee in the process of bringing down terrorism or maintaining law and order cannot be challenged in courts of law. To give a blank

check to security forces during a war is a very, very dangerous thing. But in the case of a desperate government that has found it necessary to do so, villages can be wiped out and innocent people can be killed. We have had 5,000 people killed in the last year or so in Rhodesia, the great majority being innocent black villagers.

Mr. BUCHANAN. Can you assess the relative strength of the principal black leaders and give some indication as to who might have the support of which groups?

Mr. TODD. I think this would be very difficult. I myself am not a member of any of the four groups. My daughter was a member of each group as it came up, was banned again and then joined the next group. But I am rather an older person and am a little bit old to be jumping from group to group.

I have supported of course the whole cause of changing power from white to black. So in one way I am objective. On the other hand of course it is known that Mr. Nkomo, who is an old friend of mine of 20 years standing, invited me to go as his adviser to Geneva and I went. And I have a very great respect for Mr. Nkomo, his ability and his integrity.

But I have made it clear to the people that I am helping that when we come to an election—and pray we do—and the people have spoken and the government of any one of these people is set up in Rhodesia, that as a citizen and a responsible person I will certainly support that government, but within the party system. The next election we might change it.

I don't think anybody could tell you exactly what are the strengths of the various leaders and least of all the leaders themselves because every politician hopes to win. But to say for example that the majority of the people are Shona-speaking, therefore Bishop Muzorewa must have the support of the majority of the people just doesn't take into account the history of the African people within Rhodesia and the influence of the Matebele at the time when they came in and in succeeding years.

Also it doesn't take into account the fact that Mr. Mugabe and Mr. Nkomo are the leaders of the guerrillas and at the present time Bishop Muzorewa is in a rather embarrassing situation because if everybody is negotiating we are all equal as it were in the eyes of the people. But if the West does not find any way of helping us stop this war and the whole responsibility lies with the Patriotic Front and therefore at this particular moment they are relevant to the struggle, as Mr. Kaunda would say.

Mr. BUCHANAN. Would you say there has been any significant shift in the position of the four nationalist groups since Geneva?

Mr. TODD. Yes, I would say so. But it is absolutely a personal opinion and it is because of the fact that as Geneva failed as a conference—it had an important part to play in that it clarified the situation to some extent—that I would think the shift is going to Mugabe and Nkomo. I think that is true. But that is a very personal opinion.

Mr. BUCHANAN. Mr. Chairman, I have exceeded my time.

Thank you.

Mr. DIGGS. Mr. Todd, how effective do you think these Anglo-American initiatives have been and are now in trying to bring about a settlement?

Mr. Todd. Before Dr. Kissinger came to Pretoria I think we had all reached a very low ebb and we felt there was nothing to be done, nothing was being done and the war was just going to go on with terrible suffering and destruction of the organs and instruments of government and the destruction of the economy.

Then Dr. Kissinger came flying in and seemed to break the logjam. On September 24 when Mr. Smith addressed the nation I for one was quite deceived, although I have watched Mr. Smith for many years and don't usually expect to trust him very much. I was quite deceived by his broadcast. I was deceived by it because of the fact that he said:

I am being forced to do something that I don't want to do, that I do not agree with, that I think is not in the interest of Rhodesia. But the consequences of my refusal have been pointed out very clearly to me by Dr. Kissinger.

I took that to mean that really pressure had been brought to bear on him, probably by Mr. Vorster in shutting off military aid and also oil, under the influence of the Western countries, that Mr. Smith was really finished.

But of course we were just deceived again. Since then Mr. Smith has achieved his usual aim of letting the months pass and the months pass and keeping himself and his people in government.

It soon became apparent that Mr. Smith's statement regarding majority rule was not a majority rule that Dr. Kissinger would have called "majority rule." In fact I think Dr. Kissinger's mistake there was not to have asked Mr. Smith clearly to define what "majority rule" was. It is said sometimes that it was the intransigence of the black parties at Geneva that caused the failure of the conference. That was not so. In fact it was remarkable to find so great a unity amongst the black parties because they all wanted a transfer of power. Clearly that was the matter before them and on that they all agreed. Mr. Smith just sat and did not contribute anything or give anything.

He said, "When the Kissinger proposals are brought before the conference, then we will participate." But by this time we had a clear understanding of how Mr. Smith had interpreted those proposals. That was that the Council of State would be a supreme body and Mr. Smith would be head of that supreme body. That supreme body would nominate the members of the interim government. That group would preside over the formulation of a constitution and that constitution would result in the continuance of white supremacy in Rhodesia. So that passed.

I think the British realized that they had made a mistake in trying to get a unity of purpose amongst the people. It was impossible. So they then decided, it seems to me, to do away with the thought of an interim conference to set up a constitution and then to offer it to the various groups. With American cooperation they are now going around asking the various groups what they want to see in a constitution. But they will not be asked to approve of that constitution until it is finalized. Then it will be handed to Rhodesia by Britain as the independence constitution which will be followed by a caretaker government for a few months to allow a period in which the people can campaign for their political parties. That is the theory. We have moved ahead of it and this is quite good, I think, up to the point of declaring that constitution. Providing it is a democratic, universal suffrage con-

stitution, I would hope and expect the black nationalists to accept it. I can hardly believe that Mr. Smith will accept it. He will not accept it, in my estimation, unless the pressures are great enough.

It is not only the pressure that America or Britain or Mr. Vorster might be able to apply to him but the pressures of the war, the pressures of the failing economy, the pressures of a morale which is certainly decreasing. Whites are saying, "What are we fighting for?" It will be a combination of forces which at one point will be so great that Mr. Smith will have to give in and that is the point that we are waiting for. It is to get to that point as quickly as possible with the least suffering possible that I am here in the United States, trying to say a few things and press for a continuation of America's interest and to help. I was interested to hear today the evidence on sanctions.

Mr. DIGGS. Everybody seems to believe that this matter will be resolved one way or another within a year or year and a half, and that an independent Zimbabwe, meeting the kind of standards you have outlined here, will be a reality. Are you that optimistic?

Mr. TODD. No.

Mr. DIGGS. Would you elaborate upon your response?

Mr. TODD. I don't think that you can expect Mr. Smith to change and to see the facts as they are and be reasonable in the light of our past experience with him, I do believe, I believed before Geneva, and I believe even more now that unless the pressures are great enough Mr. Smith is not going to see reason. In other words he is never going to see reason. He has got to be pushed to accept a constitution.

It is very terrible because in my estimation—this is an absolute guess—I would think it is not more than 10 or 15 percent of the whites in Rhodesia who are violently racist.

On the other hand, I think it is only perhaps 5 percent who will stand up for the sort of policies which ought to be in practice in Rhodesia today.

I think the other 70 to 80 percent of the people would be prepared to give it a go if we could arrive there before too much more suffering. But of course the bitterness must grow not only on the part of the blacks but also on the part of the whites. For many white people also are being killed today and wounded and maybe are being crippled for life. For these people the situation is a very unhappy one indeed.

Mr. DIGGS. Do you think there can be a settlement of this matter with Mr. Smith?

Mr. TODD. Yes.

Mr. DIGGS. Mr. Smith is an important factor in the resolution of the situation in Zimbabwe. If his intransigence that you have dealt with over a 10-year period continues, is it possible to have genuine independence there in 1978?

Mr. TODD. This is why I have not really called on people in the past to remove Mr. Smith from office. There has been a belief among the whites that you can leave it to Smithie. Somehow he will see you through. If Mr. Smith came to the point where he said, "We have had it and we have now got to transfer power," I don't think anyone would—well, there are rebels within his party—I think the people would have a sigh of relief except for that small minority within his party.



That isn't to say that if Mr. Smith were thrown out today we couldn't get more quickly to a decision. But as long as he is there he is going to be very tough and he is not going to listen to reason. That is not the way he is built.

But if he comes to the point where he is going to hand over power, then you can be sure his position is absolutely untenable. We don't want it to go as far as that. So on your theory Mr. Smith ought to be out before then.

Mr. DIGGS. What is your assessment of these incursions into Mozambique by Rhodesia, Mr. Prime Minister? What do you think has been their objective? How do you think it has affected the prospects for peaceful settlement on either side?

Mr. TODD. Once the guerrillas cross the borders into Rhodesia they are lost amongst the people. Unless you can find them in uniform or carrying a rifle it is very difficult indeed to discern them. But over the border there are camps built of bricks or something which you can actually see, which you can go and bomb. It is a morale booster to go and to actually attack a place which you know is a guerrilla center. That is one thing.

I sometimes wonder if Mr. Smith doesn't still—and I have mentioned it here—have in his mind the hope that even at this late hour he will be able to internationalize the struggle, when of course as all the whites used to know, America and Britain will step straight in and confront the Russian forces.

He has been told of course by various people that this is not so. But I am not sure it isn't his last hope that a foray 50 miles into a neighboring country, taking over a town and occupying it for days, there is nothing more likely to internationalize a struggle, than an act like that is a policy of desperation or incredible stupidity.

Mr. DIGGS. Why do you think Smith withdrew the troops? I saw recently that the Foreign Minister of South Africa hinted that his Government may have had something to do with this troop withdrawal. Do you think that may have been a factor? What other factors do you think may have entered into that decision?

Mr. TODD. South Africa deals with Mozambique, as you well know. It uses the Port of Maputo. Mr. Smith can only live as long as Mr. Vorster likes. If Mr. Vorster's protege strikes into the heart of a country with which Mr. Vorster has strong economic ties, it would be very natural for Mozambique to say, "What is your protege doing here? You had better get him out of there." So I think it would be almost surprising if Mozambique had not made a protest to Mr. Vorster.

Mr. DIGGS. I noted today that the Rhodesians hinted in a thinly veiled threat that they may not be as cooperative with Zambia as they have been in the past with respect to the Kariba Dam facility. If they ever carried out that threat, do you believe that the Mozambiquans might also cut off power from the Cabora Bassa Dam to South Africa?

Mr. TODD. The thought absolutely appalls me. Kariba is there to serve Rhodesia and Zambia and even with the great output of that wonderful power station, we don't have enough electric power, we don't have enough power generated by ourselves to supply Rhodesia's needs. So that if anything happened like that I would expect retaliation on Zambia's part too. That would be suicide. Sometimes I

wonder if they don't have a suicide squad already in Salisbury. But I would hate to find that I am right.

Mr. DIGGS. Some people have been rather perplexed about the blacks in the Rhodesian Army. Here you have a situation where black soldiers receive just a fraction of the pay of their white counterparts. They are threatened by the guerrillas and they have limited promotional opportunities within the army.

Yet this would seem to put a question mark behind those who say that all of the blacks in Rhodesia are seeking a majority rule or are against the present Government. The existence of such discriminatory practices in the Rhodesian Army raises a question in my mind about the basis for the loyalty of the black troops in the armed services.

Mr. TODD. There aren't jobs for all the blacks in Rhodesia. That is putting it at its lowest. When you say they get only a portion of the pay of the whites, they get double the pay of the average black. So that it is really a well-paid job. Whether they are recruiting as freely now as earlier, I don't know. It used to be that to be a member of the black forces wasn't an honor but it certainly wasn't looked down on by most of the people. It is only since the war started that the black soldiers have started to hurt their brothers. So this is only the last 2 or 3 years.

They speak of a high percentage of black soldiers. But I think the actual number of black soldiers in relation to the territorials and the regular army is not so great, because you see the latest callup is of whites, Asians and colored up to 50 years of age. So there is a tremendous body of people now under the Government's direction and control.

Of course there is no doubt that there is going to be trouble someday between black soldiers and the people.

Mr. DIGGS. As you know, in South Africa the business community has developed plans and actually made pronouncements about the need for change undoubtedly to protect their own interests and perhaps other reasons. Is there any similar movement among the business community in Rhodesia?

Mr. TODD. Yes; a strong movement, an enlightened movement.

Mr. DIGGS. Could you tell us about it?

Mr. TODD. The farmers for example have brought out recently a program designed not just to put half a dozen blacks on white farms but to open up the whole process of establishing black farmers with the assistance of agricultural finance corporations. I think they are genuinely recognizing that farming in Rhodesia will be sounder and better if they can bring in many of these black farmers who would be enthusiastic. In industry and commerce, both of those organizations in recent years have become much more enlightened.

It absolutely amazes me that when these people who are representing good interests and a lot of the economic value of Southern Rhodesia are prepared to make a stand like this, why Mr. Smith doesn't listen.

On the other hand Mr. Smith is backed by all the lower grade of white employees and so on. And I suppose the proportion of people who are with big interests in farming, mining, industry and commerce and so on is rather small.

But I think a lot of them are putting a lot of time into planning and hoping that they will get an opportunity for seeing their plans evolve.

Mr. DUGGS. Mr. Prime Minister, we hear a lot about the fact that the Selous scouts elements of Rhodesians counterinsurgency forces are engaged in terrorist activities for which the guerrillas are blamed. Could you tell us something about this group and do you feel that they are being extensively used?

Mr. TODD. They are a very highly trained, comparatively small group of men, black and white. They are not under military control; nor are they under police control. They are under the Prime Minister's office, paid for out the the Prime Minister's pay, which is secret. So the actual breakout of the spending is not known, which is a sinister thing in a democracy. But of course we are not a democracy.

The Government says if anyone gets killed, "That is the guerrillas in action." I will tell you one story. I think there are probably many stories like it. But it concerns a matter that happened quite close to my own home just a week or two ago within the last month.

The Lutheran Church of Sweden has had a good hospital about 20 miles from my home since the beginning of the century. About 10 years ago they produced their first black doctor, Dr. Zhou. The Swedes made a policy decision a year or two ago and they withdrew their white staff and the blacks took over completely.

Dr. Zhou has been in charge of the Mnene Hospital and is very much loved by the people. He has or had another young black doctor and his staff are all black sisters.

Anyway it is a very big area which has been subject to a great deal of infiltration by the guerrilla forces. I know the guerrillas have been all through there because they have been right through my place as well and the soldiers have all been in this area and we are all under curfew from 6 at night to 6 in the morning.

Several weeks ago, perhaps 3 weeks or more, one lone guerrilla came to that area and he made contact with Mnene Mission. He made contact with the people there. There was some singing and the children were taught some freedom songs and so on.

Then he said, "I am going to announce my own presence to the police in Belingwe," 16-some miles away. Because if the people do not report the presence of guerrillas, then the armed forces can come in in a very primitive way and kill and lay waste as they have done on many occasions.

So he went to the doctor's residence and he said that he was going to use the phone. The doctor had no option, of course. So he used the phone and told the police that he was there. Then he went on his way.

The security forces came up and they blamed the doctor for not only allowing this man to stay there or to use his phone and all this sort of thing but more or less said that he was mixed up with the whole guerrilla thing, which was rampant right throughout Belingwe.

Some days later early in the morning somebody knocked at the door of the doctor's house and his wife looked out the window and said, "There are three men out there with rifles."

The doctor said, "I have got to go anyway." So he went out the door and he was just executed on the doorstep and the Government announced that this was the guerrillas who had killed the doctor. He was 35 years of age with 30 more good years before him of service to the people.

The security forces themselves said that he was mixed up with the guerrillas and we are asked to believe that the guerrillas came and killed him.

At the funeral 2 days later some of the soldiers were laughing, to the absolute shock of the people. They were saying, "Where is your Belingwe now? We finished your Belingwe."

I don't know who does this. But the Government can hardly be surprised if the people think that it is the Government that executes some of these people when the Government has passed a law to exonerate anyone who does this sort of thing.

If the Government holds that Dr. Zhou, as he may well have been, was mixed up with the terrorists, as they say, he is now a person that should be killed. So it is just the normal course of the guerrilla warfare that he should be killed and he was killed.

Mr. DIGGS. I just have one final question. What is it about the attitude of the whites? What is it that concerns them so seriously? Is it really their expectation that any predominantly black government that comes to power will be Marxist, will threaten free enterprise, and be influenced by the Soviet Union? Or are they not impressed with the models of black-white relations in African countries elsewhere?

I think I have been to every African country. I have never seen a white person standing on a street corner begging. I guess it is in the former Portuguese territories where you see the poorest white people and that is probably because of their 400-year involvement, their assimilation policy, and the poverty of Portugal. That is the only place where I have seen whites driving a cab, doing menial work or owning a small farm next to a black. What is the big fear?

Mr. TODD. I think it is easily understandable. For 10 years, for all the years that these people have been in power, the government has absolutely controlled all the media and all the TV. Our papers are only two or three in number and they are anemic, to put it at its best. No good story ever comes from north of Zambesi. Every story that is chosen for publication just shows how ineffective the African governments are and how corrupt they are, et cetera. And the active propaganda over these last years has been that there is no hope for whites in Rhodesia if any black government takes over.

If you are brainwashed for 10 years, as my white friends in Rhodesia have been brainwashed all these years, is it surprising that in that time they have great fear of a black government and that they are ready to back Mr. Smith perhaps even to this day?

Mr. DIGGS. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. Prime Minister, do you think there is a chance for the Anglo-American initiatives to be effective to help bring about a settlement? Do you have any further counsel as to what role we ought to play?

Mr. TODD. If I thought there was no chance at all, I wouldn't be here and I wouldn't be here sticking my neck out as I am, as I am going back on the 21st of this month to Rhodesia, to my home where I live in the Belingwe area.

It is my great wish to see the war end and to see the killing stop and to see us begin to build up Zimbabwe as we would like it to be built up.

It may be a forlorn hope. But at least I am here trying to spread abroad the message that America must at least continue its stand. In the Carter administration we feel there is new hope and we hope that this will be maintained and that it will be made known that

whether Mr. Smith accepts or not, the struggle to change power from white to black will be maintained and participated in by the American Government as well as the British Government and all other freedom-loving governments.

Mr. BUCHANAN. I understand, Mr. Prime Minister, you were placed under house arrest for 9 months by Mr. Smith in 1965, detained in 1972, kept in solitary confinement for 5 weeks without trial and were placed under house arrest from 1972 to 1975.

Under all the circumstances I must commend your courage and thank you for what you are doing for your country.

Mr. TODD. Thank you very much.

Mr. DIGGS. If you will permit me also to join in the benediction of Brother Buchanan by highly commending you, Mr. Prime Minister, for your obvious commitment, persistence, and continued courage and for the contributions you have made to the education of this subcommittee and hopefully to many Americans, and in expressing our fervent hope that these problems will be recognized back home by your fellow citizens.

Mr. TODD. Thank you, Mr. Chairman.

[Whereupon, at 4:04 p.m. the subcommittee adjourned, to reconvene at the call of the Chair.]

