F.O.E. Okafor*

Any analysis of the Zambian economy must begin by emphasizing the dominant position of the copper industry.[1] In the first six years after independence (1965-1970), the copper industry contributed just under 44% of net domestic product,[2] nearly 60% of revenue,[3] and over 95% of export.[4] This industry gave Zambia one of the highest figures for GNP per Capita in sub-Saharan Africa.[5] The growth rate in GNP was astonishing 9% per annum from 1960-1970, way ahead of the rapid growth in South Africa in the same period.[6]

However, Zambia is also a sparsely populated country with two-thirds of its four million people living in the poverty-stricken rural areas.[7] It is an odd, butterfly shape, completely land-locked in the heart of the continent, and very dependent upon and integrated into the South African economic orbit.[8] Unemployment is very high, but at the same time there has been severe shortage of skilled workers, technicians and managers (which has necessitated an extreme dependence on expatriate manpower).[9] Zambian agriculture is very weak, producing only 6% of GNP[10]; the modern commercial sector, providing staple foodstuffs for the miners and the rest of the urban population and producing a small quantity of tobacco for export (almost all of this sector is concentrated on a few hundred large farms situated within twenty miles of the railway to Rhodesia and South Africa, on the edge of the Copper Belt) contrasts sharply with the more traditional, peasant-based and near-subsistence agriculture in the rest of the country. [11]

Until 1969-1970, the copper industry was controlled by two multinational corporations -the Anglo-American Corporation Group producing approximately 52% of Zambia's copper, and the Roan Selection Trust Group the remaining 48%.[12] Through their control of the copper industry, these two corporations held very great power over the state, and the discussion which follows is primarily concerned with the balance of power between the Zambian state and the multinationals in the period since Independence. There have been broadly two alternative opposed views on this question. At one extreme, Alvin Wolfe argued that

> as political empires dissolve, states (in central and Southern Africa, from the Cape to Katanga) become weaker relative to the supranational mining system.[13]

* Senior Lecturer, School of Social Sciences, College of Education, Nigeria.

On the

> so there we have it - an alternative theory demonstrating the diminution of local power of the Big Mining Groups, their further subordination to local nationalist interest, their diminished power to control local conditions through prominent shareholders in the Imperial countries, their replacement of old-type Boss Businessmen's by young executive whose attitude is sympathetic towards local African aspirations, and the progressively smaller scope offered for any sort of amalgamation; action, or 'conspiracy' on a supra-national plane [14]

The mining Corporations' position has been summed up thus:

> Corporations have to live with whatever political system is in control. Sometimes their managements approve of these political systems, sometimes they do not. There is little they can do about it. The policy of most corporation is to stick to their business in the hope that those who determine political policy in a country will allow them to produce, to give employment, to make profits, and to pay their taxes [15]

Multinational mining involvement in the area can be traced way back to 1890, when Rhodes, agents obtained from Chief Lewanika of the Lozi (Barotse) a mining concession for the British South Africa Company. This treaty was used by the company to give validity to their conquest of not only the Lozi, but also other surrounding peoples. The legality of the Company's Mineral rights have often been disputed, and it appears that they were obtained by trickery. The company never fulfilled its obligations under the treaty. However, the Company was able to use the treaty to justify such all-embracing mineral rights that Africans were not even allowed to dig sand from the river bank without making a payment to the company. [16] When the Governor of Northern Rhodesia suggested [17] that the Company's claim to mineral rights in the Copperbelt was extremely tenuous, since Lewanika's rule had not extended to that area, the Company blocked the challenge, and did not eventually renounce the rights until hours before Independence, when agreement was reached on the basis of the BSAC receiving pounds 4 million in compensation.[18] Real development of Northern Rhodesia's copper began in the 1920s, when sulphide ores were found workable depths; as the cost of processing sulphide ores was much lower than handling oxide ores of equal copper content, this made the industry very attractive to investors.[19] International considerations made this development even more important. First, there had been a very rapid growth in demand for copper, from especially the new electrical and automobile industries in North America and Europe. Secondly, there was growing concern that 90% of world copper production was under the control of powerful American-dominated copper cartel, copper Exporters Incorporated, established in 1926.[20] All the leading American producers as well as the Union Miniere du Haut-Katanga and Rio Tinto Zinc were represented, and they were aggressively forcing up the price of copper. [21] European consumers pinned their hopes on escaping the cartel by either using substitute metals or by finding a new source of copper, at just the time when Northern Rhodesian mines were beginning to show promise. The two main rivals there were Chester Beatty's Copper Ventures Ltd. (backed by the American Metal Company) and Ernest Oppenheimer's Anglo-American Corporation (closely associated with the BSAC). In 1928, Beatty established the Rhodesian Selection Trust, backed by the American Metal Company; Anglo-American took a 10% interest in the new company. Soon after, Rhodesian Anglo American (RHOANGIO) was set up by Anglo-American, with other major mining interests loosely associated with the group -BSAC, Johannesburg Consolidated Investments, Rand Selection and the Newnont Mining Corporation - taking shares in the new company.[22] Anglo soon after acquired N'Changa from Beatty by beating off rival bid from Guggenheims with the help of BSAC. Union Corporation, JCI, Rio Tinto and Rothschilds financial backing.[23] The first mines to produce, RST'S Roan Antelope and Rhoanglo's Nkana, came on-stream at the end of 1931, by which time the worldwide recession following the wall Street Crash had led to the collapse of demand for Copper. [24]

The Depression led to the shelving of new mining developments, the closing down of mines or cutbacks in production and the dismissal of 15,000 African migrant labourers (often with only 24 hours' notice).[25] The rural economic, social and political structures had been severely damaged by the migration of the able - bodied young men to the mines, the expulsion of African peasants from the twenty-mile strip of fertile land along the rail line to make way for Government-supported white settler estates,[26] and the increasing dependence upon a capitalist economy, the fluctuations or which the peasantry was ill-equipped to cater for .[27] The return of the young men to the rural areas probably only further increased the problems that had to be faced there. Thus Caplan describes the period from 1930 to 1937 in Barotseland as follows:

> paid employment both in Barotseland and abroad became increasingly scarce - the recruiting agencies shut their doors in 1932 - while floods, drought and locusts destroyed four successive crops, and pleuropneumonia, anthrax and foot-and-mouth disease terminated the remnants of the cattle trade and the small export trade in skins. Famine, unemployment and imprisonment or compulsory menial labour for non-payment of the poll-tax characterised the life of the average inhabitant of Barotseland during most of the decade. [28]

Copper production began to expand again as industrial activity and rearmament picked up in Europe and North America in the mid-1930s, and demand was so high during the war that plant had to run far in excess of rated capacity in order to cope with it. After the war, there was further expansion related to the Korean war, but increased output was largely

achieved by higher productivity and increased mechanization: the labour force remained relatively stable at around 230,000. [29]

In 1953,, Northern Rhodesia joined the Central African Federation, and during the ten years of Federation nearly £100M was drained by the Federal Government from Northern Rhodesia, mostly to finance industrial and infrastructural development in Southern Rhodesia.[30] At the same time, the Northern Rhodesian debt had grown from less than £20M to £96M, for which Northern Rhodesia had little, if anything, to show.[31] Before 1950, of course, the mining companies were domiciled in London and paid their taxes to the British Government and not to the colonial administration.[32] From 1923 to 1964, the British South Africa Company obtained more than £160 million gross (£82M net) from mineral royalties.[33] The British Treasury had collected a further £40M in taxes from Northern Rhodesia, but spend only £5M on development.[34] The Federation period was a time of high profit and moderative taxation for the mining companies, but Independence approached, they began to reduce reinvestment and expansion very markedly, and to increase the rate of repatriation of profit and capital and the level of dividends.[35] Thus in the forty years before Independence over £ 400M generated in Northern Rhodesia was exported to the developed world and Southern Rhodesia,[36] but in the ten years before independence alone, RST and Anglo-American sent £ 260M in dividends, interest and royalty payments out of the country.[37] These statistics give a fairly rudimentary measure of the scale of extraction of surplus from Zambia in the colonial period, and something of a background and context for the discussion on Multinationals after Independence.

African opposition to the Federation of Rhodesia and Nyasaland was widespread and intense, sparked at first by the African National Congress (Under Harry Nkumbula's leadership) and then, from 1958, by the more militant Zambia African National Congress led by Kenneth Kaunda, [38] which developed into the United National Independence Party (UNIP). In January 1964, UNIP won a commanding victory in a general election, and formed the government that was the lead the country to Independence as a republic within the Commonwealth on 24th October 1964. In the early post-Independence period, the new Government had to try to establish a social and economic base to its political leadership of the country. It began by building up state power and a system of patronage in which UNIP membership was the key to advancement - thus UNIP'S slogan in 1965 was "it pays to belong to UNIP". [39] One aspect of this was the training of Zambians to take over key Government jobs was the training of Zambians to take over key Government jobs as rapidly as possible from the colonial administrators. This also made control of the administration easier and was an important demonstration of the resolve to remove the legacy of white supremacy and the colonial era. Another was the purchase of the private shareholdings in Indeco (lineal descendant of the Northern Rhodesia Industrial Loans Board of 1951, reorganised in 1960 as the Nothern Rhodesia Industrial Development Corporation to stimulate private investment in industry) [40] in 1965.[41] Higher taxation was imposed on the copper industry for the purpose of public investment (acquisition of shares in private industry or substantial state participation being preferred to outright nationalization).[42] All of these changes tended to forster the development of what might be called the "bureaucratic bourgeoisie" of Zambian origin,[43] of which more shall be said later. A further development in the early years was the way in which the Government responded to the demands of Zambian miners for more rapid African advancement, higher pay and better conditions - a development which tends to confirm the attempt to build up UNIP as the key to "self-improvement". The miners had played an important role in the independence struggle formed the hard core of UNIP's urban support, and were politically, economically and organizationally the most powerful of all Zambian workers. They demanded more rapid reduction of the differential in wage levels between themselves and the European miners, and greater opportunities for promotion to replace whites in the mining industry. The government tried to argue that higher wages for miners would only increase the disparity between miners and the rural population, but when the miners went on strike in March 1966 the eventual outcome was a large pay increase and a speeding up of the reorganization of the labour structure in favour of Zambians.[44] As Richard Hall says,

> The Copperbelt was the citadel of UNIP power and it had to be guarded against penetration by opponents who might exploit the miners' discontent.[45]

However, there was no real attempt to challenge the pattern of ownership of the mining industry at this stage, nor was any coherent strategy for development or major reform of the economy elaborated at this juncture. Apart from the changes mentioned above, the major initiatives of the time were in the field of education, where a development of universal education and training for administration and technology were essential; and also changes in international relations and domestic policies as a result of UDI in neighboring Rhodesia.

Zambia needed to get out of the economic clutches of her hostile white-supremacist southern neighbors, South Africa and Rhodesia, and though this might be seen as mere *ad hoc* and political changes, the constraints, these placed on Zambia's room for manouvre and her principled stance against the illegal regime in Rhodesia and against apartheid in South Africa were of the utmost importance, and in part explain her lack of progress on other issues in relation to the economy and public ownership. Her economic dependence upon the white-ruled states of southern Africa had

been considerable. In 1965, her foreign trade was almost wholly dependant on Rhodesia Railways for access to the sea via the Mozambican and South African Railway Systems. In 1965, 34% of Zambian imports (by value) were purchased from Rhodesian suppliers.[46] By 1969, imports from Rhodesia had been slashed to 7% (K71, 077, 000 in 1965 to K21, 772,000 in 1969 - mainly coal and electricity) while South Africa's share had marginally increased (K41, 379,000 in 1965 to K69, 946,000 in 1969) from 20% to 22%.[47] Looking further to the future, Tony Southall observed that by 1973, imports from South Africa were down to 12%, and Rhodesia's share stood at 2%.[48] Zambia could not do without Rhodesian coal until 1970, when Zambia developed its capacity to produce high-grade coal, while electricity produced at the Kariba dam (jointly owned by Rhodesia and Zambia) is generated in Rhodesia, and it was not until 1974-5 that Zambia was able to maintain copper production without massive imports of electricity.[49] When Zambia imposed exchange controls and then blocked all payments to Rhodesia railways in April 1966, Rhodesia, Mozambique and South Africa retaliated by requiring payment in advance for all Zambian exports being shipped via their railway systems. But the Zambian Government soon relented, and copper exports via Rhodesia resumed (sidestepping UN sanctions by a multinational corporation sleight-of-hand, be which ownership of the copper was transferred from one branch of Anglo-American or RST to another at the border).[50] Zambia meanwhile investigated alternative routes such as the Benguela railway, road links to Tanzania, and later the Tanzania railway. But because of guerrilla attacks in Angola, torrential rains in North Eastern Zambia, and occasional acts of sabotage (presumably by portuguese agents) on the north-eastern routes. Rhodesia railways tended to be the most reliable and most frequently used until the early 1970s. An additional problem relating to UDI was the oil sanctions; when these were applied against Rhodesia, she predictably cut off oil supplies to Zambia.[51] So while Rhodesia has been able to get all the oil she needed and more Zambia was extremely short of oil until the pipeline from Dar es Salaam to Zambia was completed in September 1968.[52] Overall, it can be seen that in many ways, Zambia suffered more from sanctions to Zambia from 1965 to 1977 at between $750M and $800M, while Zambia had only received $100M in aid to offset this in the same period.[53] Moreover, partly generated by the attempt to overcome the effects of UDI, saw most of the profits and large amounts of capital flowing out of the country,[54] a growing dependence on imported parts and materials,[55] little real growth in manufacturing in any other sector than beverages and tobacco, a trend towards concentration of ownership and control, and an almost total absence of growth away from the line-of-rail export enclave.[56]

This led to a series of reforms brought in at UNIP's Mulungushi Conference in 1968. Kaunda stated that

> "In the last three years, Zambia has in spite of intractable problems experienced an economic boom and growth unprecedented elsewhere on the continent, which brought considerable financial benefits to expatriate enterprise. Instead of the expatriate enterprise accepting their profits and at the same time ploughing as much as possible into the development and redevelopment of their businesses, it became evident that they were obsessed with 'making hay while the sun shines' and expatriated increasingly large portions of their profits"[57]

Henceforth, no foreign company would be allowed to pay as dividends outside of Zambia more than 50% of net profits, and then only if the remittances were less than 30% of the equity capital of the company.

Kaunda also announced his intention to acquire a 51% stake in twenty-six [58] companies in the construction, transport, retail and brewing industries. He criticized the high level of dividend remittances from the mining companies and their virtual lack of mine development, but mentioned nothing about possible state participation in mining. A further reform was the attempt to break the dominance of Asian traders in the retail business, replacing them with Africans: this at one and the same time removed a social group which was considered to be relic of colonial days, employed as an intermediary between the white and the Africans in order to exploit the latter, [59] and also strengthened the power base of the state and of UNIP, and expended the potential for the "bureaucratic bourgeoisie."

Both Anglo-American and RST rebutted Kaunda's allegations by saying that there had been significant re-investment in mining and that high tax and royalty payments meant that a large proportion of what little was left from gross profits (sic!) had to go in dividends in order to attract necessary overseas investment.[60] Royalties and export taxes were based on the price of copper rather than on profits, thus it tended to discourage the development of low-grade or high-cost mines. In the end, Kaunda saw the wisdom of these arguments - he announced a reform of the tax and royalty system, putting a mineral tax on copper equal to 51% of profits, at the same time as announcing that the state was to take a 51% participation in ownership of the mining companies, but retaining the division between Anglo-American and RST for financial and management purposes. Thus ZAMANGLO's share of the copper industry became Nchanga Consolidated Copper Mines Limited, and RST's holding became Roan Consolidated Mines, both of these being held by MINDECO as majority 51% shareholders. NCCM was held 40% by Zambia Copper Investments (Bermuda) of the Anglo-American Corporation; ZCI also held

12.25% of RCM; the reminder of RCM was held by RST with 20%, and with the public 16.75%.[62]

There were several reasons for this partial nationalization. There was continuing dissatisfaction with the investment and development policies of the mining companies; control of the mining companies was an essential pre-requisite for any attempt to achieve a measure of economic independence; the copper industry would need to be closely tied in with national economic planning in order to co-ordinate any input-output matrix; as a scarce resource, planning for the future must have full knowledge of the time at which deposits would became exhausted or depleted; and Kaunda could attempt to steal the thunder of the radicals within UNIP by a rapid takeover (and regain some of the ground lost in the December 1968 election, when the ANC improved its position and Simon Kapwepwe began to appear to be a possible rival to Kaunda). It was an attempt to bring what might perhaps be seen as two of the three most powerful organizations in Zambia under control of the third - that is to say Anglo and RST under the control of the Zambian state. But perhaps that is a simplification of the position of the multinationals, who could perhaps find considerable benefits through coming under the aegis of the state - in terms of financial gain, greater security and lower risk, less of a necessity to be involved in the day-to-day running of the operation as against major strategic decisions, an opportunity to incorporate, assimilate and moderate the bureaucrats sent to manage Mindeco and the individual mines, and a closer link of influence to the Government itself. For both the firms involved, that arrangement might hold (perhaps unforeseen) benefits.

After January 1st 1970, a smaller percentage of profit would go abroad (but this would have happened anyway, without the state participation that began on that date). But there would be payments of compensation for the partial nationalization, an increase in payments when profits were high, and Anglo-American and RST would receive substantial fees for the provision of management and other services worth several millions per year (which they would previously have had to pay for themselves, but not at little cost to themselves was still providing a listening post, a source of influence and advice for the Zambians, and looking after the interests of the Corporation). Perhaps the management contracts were "psychologically necessary" to create confidence in a critical period of transition to a new pattern of ownership and control, and to reassure both the expatriate work force and the consumers of Zambian copper, and to favourably impress potential private investors and directors of international leading agencies.[63] However, in terms of remmitable cash

> foreign shareholders would be able to increase their flow out of Zambia during the payment period, after which it will decline.[64]

The multinationals retained something approximating to effective control through the many safeguards of the new arrangements. They had the power of veto over wide areas of mining activity including the closing down of operations, new financial commitments, disposal of assets, grant of retained concessions or mining rights to others, borrowing powers, appropriation for capital expenditure, and exploration and prospecting.[65] Lack of experience, resources and qualified personnel on Mindeco's side led to general feeling at Mindeco that

> the companies could be trusted over routine matters and that what counted was to influence long-term policy. [66]

Zambianization in the mining industry was proceeding very slowly, with marginal charges at the bottom and few (almost a token number) of Zambians at the top-mostly Mindeco and government men. The lines of authority still ran from white to black, in contrast with government, where expatriates were mainly only in advisory, technical and generally subordinate positions.[67] The result of this was that the structure of the industry had not really changed since colonial times.[68] Further benefits for the multinationals could be seen in provisions to control the labour force (the Zambian Government banned strikes and froze wages on taking over the mines) and the possibilities to mobilize local capital. Thus *The Economist,* referring to Zambian participation in the copper industry said,

> "the shrewdest businessmen in that part of the world have argued for some time that 49 per cent stake in a business whose success is underwritten by government participation may be more valuable than 100 per cent of a concern exposed to all the political winds that blow". [69]

A.H. Ball, the Chairman of Lonrho in Zambian, one of the most important multinationals operating in Africa and especially interested in Zambia, spoke in a similar vein:

> "We welcome Government participation in these businesses for, in our view, the very fact that the Government will be a substantial shareholder should assist in their future stability and expansion".[70]

Zambia's problems tended to get worse rather than better after 1970, with a fall in the price of copper from its peak in March 1970, with a fall in the price of copper from its peak in March 1970, a deterioration of the balance of payment (from a surplus of K77M in 1970 to a deficit of K176.5M in 1971 and another deficit of K97.5M in 1972), an increase in the leakage of foreign exchange from the mining multinationals in particular, a drastic fall in government revenue, the Mufulira mine disaster in 1970 (which cost 89 lives, and seriously disrupted production for three years,) a resurgence of opposition in the shape of Kapwepwe and Nkumbula, a fall

in agricultural output, and increasing unemployment. So in 1973 Kaunda announced that Zambia would immediately redeem outstanding bonds (partly out of foreign exchange reserves which were unusually high because of the temporary explosion in copper prices to K1500 in November 1973, and because of a $115M Eurodollar loan recently received, [71] that the mining companies would now be subject to normal tax and exchange controls regulations, that RCM and NCCM would hire technicians and managers directly rather than on secondment from Anglo or RST.

Soon after, negotiations to terminate the management and sales contracts with Anglo and AMAX were concluded on payment of £ 22m to Anglo and £ 14.2m to AMAX [72] Copper prices reached a peak in April 1974, and then slumped to a level at which the profitable operation of certain mines would become impossible. In 1975, copper prices were below production costs in Zambia, and by 1977 were at their lowest level in real terms for twenty years. Zambia was unable to earn any revenue from copper, NCCM and RCM were consistently making losses, and there was no real prospects of improvement.

Meanwhile, international relations were having a marked effect upon the situation inside Zambia. In 1973, Zambia decided to cut off copper exports via Rhodesia in reprisal for the border closure. Zambia began to use the rail link to the end of the Tan-Zam railway (at the time within 150 miles the Zambian frontier) to export copper - in the first six months of 1973, 41% of copper went via Dar es Salaam, 53% via Angola, 5% via Mombasa. Zambia's determination prompted South African and Portuguese pressure on the Smith regime, and also helped Zambia to cut back non-essential imports and improve its deteriorating balance of payments, while perhaps also rallying the nation at the same time. Kaunda's stand against white supremacist regimes to the south has been much discussed and often quoted, but nonetheless (despite the presence of Zimbabwean guerrillas in Zambia for many years) one can also point to Kaunda's independence statement in 1964 concerning his willingness to co-operate economically with South Africa, his well-publicised 1969 correspondence with Vorster, the 1974 'dialogue' with Vorster, and more recent manouverings with Smith.[73] These actions may, as Southhall suggests, have much to do with fear of the potential dynamic revolutionary spirit which could be capitalism.[74] But the economic and political constraints against Kaunda's freedom of action should not be underestimated.

In the late 1973, inflation was a serious problem, balance of payments deficits worsening, revenue from copper looking consistently gloomy, GDP sometimes falling, sometimes marginally improving, but GDP per capital dropping rapidly, [75] and there was a permanent growing overseas debt. By 1976, the overseas debt was $1,200 million, especially from Eurodollar and private bank sources at punitive rates of interest.[76] Further loans obtained in 1978 from the IMF (for K323M) involved massive cut in public spending (civil service, armed forces, reintroduction of school fees, ending of parastatal subsidiaries), devaluation of the Kwacha, reduction in the mines workforce, closure of unprofitable mines and an attempt to make investment by foreign capital attractive.[77] But of course, soon after, Zambia had to divert funds to defence in the wake of the Rhodesian air raids.[78] The border with Rhodesia had to be reopened to allow fertiliser shipments to get round the congestion at Dar es Salaam port.[79] Economic problems were aggravated by hard weather in early 1979, necessitating substantial imports of maize.[80] Election victory for Mugabe in Zimbabwe in 1980 was not Kaunda's preferred outcome. Finally, to come right up to date, Kaunda acknowledged on 23rd May 1980 that most of the State's ventures into agriculture had been failures, and that he was about to launch an ambitious new food plan (supported by £230M in aid) based around state farms managed by experts from the countries identified with individual farms.

So where does this leave us now? Kaunda has displayed an inverted Midas touch, for virtually as soon as state participation in mining began, mining looked less lucrative, when in 1973-4 an attempt was made to strengthen the Government's hold over the industry, it was the signal for output, profits and the world copper price to plummet. ZAMANGLO and AMAX are no longer effectively in control of the copper industry in Zambia, Anglo-American AMAX is still making good profits in Zambia, Anglo-American might hardly notice having lost control of Zambian copper mining. Lonrho and Anglo are making inroads into other sectors of the economy, and have been watching developments in Zimbabwe with interest. Zambia seems to have gained control of the now dubious prize of the copper industry, but is so tied up with indebtedness to the world Bank, the IMF, the Eurodollar market, the banks and so on that "complete economic independence" appears like a chimers on the horizon.[82]

NOTES

1. As Charles Elliott observed in "Constraints on the Economic Development of Zambia" OUP Nairobi 1971, p 3.
2. *Mindeco Mining Year Book 1972*, Kitwe 1972 p.20. The actual Figure is 43,666% (at factor cost).
3. Ibid. p. 20.
4. By value-ibid p.20. (Figures for exports include cobalt). Compare with "*Yearbook of International Trade Statistics*, 1969, which has cooper as 96% of total exports, and mining products as 99% of total exports in 1969 - quoted in Pierre Jalee "Le Tiers Monde en Chiffres" Maspero Paris 1974, p.67.
5. $400 GNP per capital (Jallee p. 153), the only countries coming higher in the list being South Africa ($760 per capita) and Gabon (630 per capita) - Jallee pp. 128 and 135.
6. Jallee p. 128 and p.153; these were "boom" years for South Africa.
7. G. Lanning and M. Muller, *Africa Undermined*, Penguin 1979, p. 196.
8. Before Independence, on Southern Rhodesia; after Independence and UDI, vigorous attempts were made to cut down dependence on the latter, though South Africa tended to take over at least part of this at Rhodesia's expense.
9. Richard L. Sklar, *Corporate Power in an African State* UCal press 1975, p. 24.
10. Jalee p. 153 c.f Industry 65% (of which mines 51%) and services 29%.
11. Ann and Neva Seidman, *South Africa and U.S. Multinational Corporations*, Lawrence Hill & Co. 1978, pp. 218-9.
12. Sklar p. 30.
13. Alvin Wolfe "The African Mineral Industry" in *Social Problems* no. 2 (autumn 1963) p. 163. Sklar p. 180.
14. M.L.O. Faber, "Corporate Policy on the Copperbelt", quoted in Sklar p. 182.
15. F. Taylor Ostrander, an official of AMAX Corporation, which controls RST, in John A. Davies and James K. Baker "Southern Africa in Transition" in *Transition*, Praeger MY 1966, p. 360.
16. Richard Hall, *The Higher Price of Principles*, Pennguin 1973, p. 74.
17. in 1934.
18. Lanning and Mueller p. 197.
19. See Sklar, p. 10.
20. Lanning and Mueller p.61.
21. *Ibid* p. 61.
22. *Ibid* p. 63.
23. *Ibid* p. 64.
24. *Ibid* p. 64.
25. Richard Hall, *Zambia* Pall Mall 1965, p. 261.
26. Seidman p. 219.
27. See Arrighi in Giovanni Arrighi and John S. Saul, *Essays on the Political Economy of Africa*, MRP 1973 pp. 206-213, referring to Southern Rhodesia, and Colin Bundy, *The Rise and Fall of the South African Peasantry*, Heinemann 1979 for similar developments in South Africa.
28. Quoted by Laurel van Horn in *Agricultural History of Barotseland*, in Robin Palmer and Neil Parsons, *The Roots of Rural Poverty*, Heinemann 1977, pp. 159-160.
29. Lanning and Mueller, p.88.
30. Hall (1973) p. 63.
31. *Ibid* p. 63.
32. Lanning and Mueller p. 198.
33. Hall 1965, p. 230.
34. Hall 1973, pp. 71-2.
35. Lanning, pp. 196-7.

36. Lanning, pp. 197-8. This includes non-copper revenue.
37. Lanning, p. 198.
38. Nkumbula became increasingly involved with collaboration with the white settlers, and therefore lost his support.
39. Hall 1973, p. 196.
40. Ann Seidman, "The Distorted Growth of Import Substitution: The Zambian Case" in Ben Turok (ed.) *Development in Zambia*, Zed Press 1979, p. 109.
41. Ben Turok, "The Ponalities of Zambia's Mixed Economy"
42. *Ibid* p. 73.
43. To use Shivji's term (see Issa Shivji, *Class Struggles in Tanzania* Heinemann 1976), meant in the sense not only of government bureaucrats, but also those of the parastatals, UNIP, and to some extent also those involved in business management.
44. As a result of the findings of the Brown Commission of Enquiry (see Lanning pp. 201-2).
45. Hall 1973, p. 177.
46. Sklar, p. 26.
47. Sklar, p. 27.
48. Southall "Zambia; Class Formation and Detente - A Comment" in *Review of African Political Economy* No. 12, p. 118.
49. Sklar, p. 27.
50. See Sklar pp. 151-9.
51. Sklar p. 135.
52. *Ibid* p. 136.
53. Lanning p. 202.
54. Lanning p. 203.
55. Seidman in Turok, p. 101.
56. *Ibid.* pp. 101-2.
57. Kaunda, quoted in Lanning p. 203.
58. According to Sklar, p.55; Lanning has the figure at twenty-seven (p. 204) and Alex Callinicos and John Rogers "Southern Africa After Soweto," quote the figure as twenty five (p. 113).
59. Callinicos and Rogers, p. 112 (Pluto Press 1978) - but their purpose attribution of these ideaş to Shivji is a little unfair to the latter.
60. Sklar pp. 55-6.
61. Sklar p. 57.
62. See ibid pp. 44-5 for more detailed structure of ownership before and after "Nationalization".
63. Sklar pp. 59-60. 63 formal as opposed to effective control.
64. Bostock, Murray and Harvey, quoted in Sklar, p. 60.
65. Lanning p. 211.
66. Conclusions drawn from a discussion with Mindeco staff members in 1973, Lanning p. 213.
67. Lanning pp. 213-4.
68. *Ibid.* p. 213.
69. Issa Shivji, p. 168.
70. Also quoted in Shivji, p. 168.
71. Incidentally this was borrowed at 12% interest, and was not being used to pay off bonds at 6% interest.
72. Lanning p. 224 - these sums were for "compensance".
73. See Southall in RAPE 12, p. 119.
74. *Ibid.* p. 119.
75. Miguel Cabesas in *New African* March 1978, p. 91.
76. Geoffrey Hodges "Zambia: Opening the Gates and Tightening the Belts" in RAPE No. 12, p. 94.

77. *Ibid.* p. 94.
78. New African, Jan. 1979, p. 96.
79. See *African Business*, Nov. 1978, p. 17.
80. *New African*, August 1979, p. 10.
81. John Borrel in *The Guardian*, May 24th 1980, p. 8
82. There appears to be little sign of an economic strategy, a conception of developme along a specific path, or a commitment to socialism or anything els Everything seems to be piecemeal *
One omission from discussion in this paper, in order to avoid a length digression, was the question raised by Huntington in which (to simplify) th multinationals have the money, but the State has the guns, and in the end ca get its way, which makes *some* sense. But if we consider the case of ITT i Chile, the logic appears to have got confused, and the guns of the armed forces sided with the multinational against the state. In Zambia, a show of legal political force gave the state a pyrrhic and hollow victory. The multinationals are often resourceful enough to gain from their defeats. It is very often the case that the state needs multinational investment far more than the multinational needs the state's help.