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South Africa's external relations with Britain and the Commonwealth, 1945-1956

by

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A study of relations at the United Nations and in the fields of economics, defence, and atomic development reveals that up to the mid-1950s, Britain and South Africa continued to be bound closely together both by common interests and by mutually advantageous bargains founded on Britain's indispensibility as a market, as a source of goods, technology, and capital, and as a military ally. By 1961, however, South Africa had left the Commonwealth. Some members had found it impossible to accommodate a country whose government was committed to repugnant racial policies. The international odium associated with those policies had, even before the 1948 election brought the National Party with its doctrine of apartheid into power, tended to isolate South Africa. In the case of Britain, this tendency was counteracted by a desire to hold the Commonwealth together, to draw economic and strategic strength from a close association with South Africa, to resist the expansion of Afrikaner nationalist influence especially where this would occur at the expense of British interests in Africa, as well as to resist United Nations interference in the rule of dependent peoples. Developments, not always readily predictable in the first ten years after the war, transformed South Africa's underlying attachment to the Commonwealth by 1960. Afrikaner nationalists had steadily secured their electoral base and pressed forward with a dogmatic implementation of apartheid. The opening-up of the world economy, economic revival in western Europe and Japan, and the abandonment of obsessive atomic secrecy sharply diminished the monopoly power at Britain's disposal in the economic and atomic fields. The Suez debacle was a catastrophe for British prestige — military and otherwise. Above all, perhaps, Britain's accelerated withdrawal from direct colonial rule (which incidentally reduced the need for an alignment with South Africa at the United Nations) called into question a fundamental assumption, shared hitherto by most of the South African electorate, that British power would in the last resort be used to uphold white authority in Africa.
Preface

This dissertation deals with South Africa's external relations with Britain and some other members of the Commonwealth from the end of the Second World War until 1956. The focus is an analysis of inter-governmental policy based on classified government records which have been made public. 1956 was close to the end of the period for which such records were available. It was also the year in which the Suez crisis shook the Commonwealth system. It seemed reasonable to disembark from a detailed historical analysis at that point and from there to gaze down the line to another dramatic event - South Africa's departure from the Commonwealth in May 1961.

A preponderance of attention has been devoted to British policy. This was largely because a far larger proportion of what was probably a more complete government record has been opened to the public in Britain. As a justification for the unequal treatment which follows, it could be argued that Britain was the hub of the Commonwealth and its prime mover. This is not to say that South African policy has been unnecessarily neglected. The examination of sources available within South Africa, in conjunction with those available in Britain and Canada, has hopefully revealed facets of South African policy which would otherwise have remained obscure. Research at government archives in South Africa, Britain, and Canada has, in general, been conducted by myself. The exceptions were the copies of documents I
have seen which were collected by Marc Feigen (relating to Simonstown[1]) and those collected by Dr Ian Clarke (relating to British nuclear strategy and Anglo-American relations.[2])

In examining South African, British, and Canadian policy, attention has centred on interaction at the United Nations and in the fields of economics, defence, and atomic development. It was into these four areas that primary research was directed. In South Africa, it was possible to consult the papers of various individuals including Smuts, Hofmeyr, Havenga, and Te Water. In Britain, the chief sources were the government records held at the Public Record Office in Kew: cabinet records, prime ministers' records, and files from the dominions office, Commonwealth relations office, colonial office, foreign office, treasury, and ministry of supply (including the department of atomic energy and the United Kingdom atomic energy authority). Available in Canada were: cabinet records, prime ministers' papers, and the files of various departments including the department of external affairs. The object has been to establish, as fully as possible, a picture of relations in these four areas between South Africa and Britain, and South Africa and Canada, and in so doing to shed light on the practical realities of the post-war Commonwealth relationship with South Africa.

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2. These were held in the Seeley Historical Library, Cambridge.
Much has already been written about South Africa's post-war external relations. Of this, comparatively little is based on government records. Moreover, many aspects of relations at the United Nations and in the economic, defence, and atomic fields have not been examined thoroughly, if at all. While use has been made of existing research, this dissertation claims originality to the extent that it is based on primary sources which have not previously been fully exploited. The chief way in which this study differs from all others is in combining a more detailed examination of post-war government records from several fields and from more than one country. This dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration.

I am indebted to various individuals and organisations for funding my research, lending general assistance, and providing me with room and board during my stays away from Cambridge. Financially, I have to thank above all my parents. Other sources of funding have been the Holland Rose studentship, grants from the Smuts memorial fund, the Leonard travelling scholarship, and St John's College. While in South Africa, I was blessed with the hospitality of the Dodson family and the Bench family. Bryan Bench of the South African institute of international affairs gave me valuable advice. Anthony Hamilton kindly gave his time to describe some of his experiences in the South African diplomatic service. I was shown much generosity by those with whom I stayed in London: the Haines family in Ealing, Marc Feigen in Vauxhall, Jane Sellen and Gael Bourne in Camberwell, Alisdair and Fiona Greig in Putney, and Judith Slater in Wood Green.
In Ottawa, the members of the historical section of the department of external affairs were exceptionally helpful. Dacre Cole, Ted Kelly, and John Hilliker made special efforts to assist me in the midst of their Christmas holidays. I have no wife-typist to thank, but I have from the start enjoyed the assistance and support of Belinda Dodson, particularly in the tedious task of proof reading. Finally, my warmest thanks are due to my supervisor, Ronald Hyam, whose advice has been invaluable.
Contents

Preface i
Notes on abbreviations used in footnote references 1
Introduction 2
Chapter 1, The Smuts government's post-war external relations, 1945-1948
   (i) The United Nations 17
   (ii) Economics 41
   (iii) Defence 64
   (iv) Atomic energy 80
Chapter 2, The Malan government's external relations while the Attlee government was in office, 1948-1951
   (i) The United Nations 102
   (ii) Economics 126
   (iii) Defence 151
   (iv) Atomic energy 177
Chapter 3, The Malan government's external relations while the Churchill government was in office, 1951-1954
   (i) The United Nations 193
   (ii) Economics 219
   (iii) Defence 234
   (iv) Atomic energy 248
Chapter 4, The Strijdom government's external relations while the Churchill and Eden governments were in office, 1954-1956
   (i) The United Nations 269
   (ii) Economics 280
   (iii) Defence 290
   (iv) Atomic energy 315
Chapter 5, Relations with the Commonwealth association, 1945-1961 334
Conclusion 365
Appendix 1 Contributions to the dollar pool 373
Appendix 2 Uranium production 374
Map of southern Africa 375
Map of the Cape peninsula 376
Bibliography 377
Notes on abbreviations used in footnote references

References from South African archives
(example)
A 38, 1. N.C. Havenga papers. Central Archive Depot, Pretoria.

References from the British Public Record Office, Kew.
CAB 128/...  cabinet minutes.
CAB 129/...  cabinet memoranda.
PREM .../...  prime ministers' papers.
CO .../...  colonial office.
DO .../...  dominions office and
              commonwealth relations office.
FO .../...  foreign office.
AB .../...  ministry of supply (including
              department of atomic energy and
              United Kingdom atomic energy authority).
T .../...  treasury.

References from the National Archives of Canada, Ottawa.
RG 2, A 5a, ... cabinet minutes.
RG 2, B 2, ... cabinet memoranda.
RG 25, ...  department of external affairs.
MG 26, ...  prime ministers' papers.
Department of external affairs, Ottawa:
Departmental files and reports.
Introduction
For most white South Africans, the post-war Commonwealth meant little more than the association with Britain and her empire. Some welcomed the ties with the Crown and with British imperial power. For a certain number, cultural affinity played a part in this. Of more significance was the perception held by whites of British ancestry, as well as by Afrikaners, that the only power which could act as a guarantor of their security - external as well as internal, political as well as economic - was Britain. Opposing the sentimental attachment to Britain (though not necessarily the material benefits of it) were the Afrikaner Nationalists. They had a vision, nurtured since the Anglo-Boer War, of Afrikaner supremacy in a South Africa free from imperial domination and its remnants.[1]

For Britain and its government, the significance of the post-war Commonwealth was the connection it provided with those parts of the empire which had advanced in constitutional status to the point of equality with Britain. Regardless of how Commonwealth relationships were perceived in constitutional theory, in practice they continued to be recognisable, even at the end of the Second World War, as imperial relationships characterised by some measure of economic or strategic dependence.[2] The Commonwealth was a means of sustaining a British world system, a system in which nominally independent


overseas territories had always been no less important than constitutionally subordinate ones.[3] To a certain extent, at least, the Commonwealth was an extension of British power, and was regarded as such internationally.[4] The integrity of the Commonwealth, and Britain's leadership of it, were demonstrations of Britain's fitness to sustain a world system and play a world role. At the end of the war, that system, though shaken by the conflict and squeezed by the growing influence of other powers, seemed as valuable as ever to Britain. This was especially so with respect to the pursuit of the two aims which were to dominate post-war British policy - economic recovery and containing communism.[5]

After the war, the maintenance of the Commonwealth connection with the Union of South Africa continued to be regarded in Britain as essential. South African membership was a sign of the Commonwealth system's vitality, not least because it showed that a former enemy could become part of the Commonwealth family. More than that, membership signified the existence of community of outlook and interests. Upon this stood the close economic and military co-operation which gave the Commonwealth its material significance.


Against these attractive forces was the repulsion generated by distaste for the policies of racial discrimination upheld by successive South African governments. These introduced a contradiction into the Commonwealth system, one which the admission of non-white countries to full membership accentuated. The desire to sustain influence in Asia and later in Africa led Britain, with the acquiescence or assistance of the other old members, to promote the Commonwealth as a bridge between the West and the nations newly emerged from colonial rule. Multi-racial ideals were promoted in the effort to give some ideological substance to this bridge. The inability to reconcile successfully membership of a country practicing extreme forms of racial discrimination ultimately precipitated South Africa's departure from the Commonwealth in 1961.[6]

There was, nonetheless, more to the breakdown of the Commonwealth connection with South Africa than the post-war transformation of the Commonwealth and the international reaction against the South African government's white supremacist stance. From 1948, when Afrikaner Nationalists gained the upper hand politically within the Union, the Commonwealth connection came under attack from within the ruling party itself. While Jan Smuts was prime minister, a broader

conception of South African nationalism - one in which there was room at least for the two European 'races' - held sway. Under this conception, the Commonwealth tie was cherished as a source of strength in the promotion of South African interests. Despite the advantages which the close association with Britain held for South Africa's security, her economic development, and her potential territorial expansion, the Commonwealth connection was a source of domestic political contention. The symbols of the British connection were rallying points in the political resistance to Nationalists who sought to subordinate all South Africans to the advance of Afrikanerdom. After Smuts's fall in 1948, the Commonwealth connection was undermined as successive Nationalist governments consolidated Afrikaner political dominance and introduced new symbols of state authority. South Africa's own affinity for the Commonwealth had, by 1960, diminished substantially. The relative indifference towards the Commonwealth of Hendrik Verwoerd's Nationalist government was perhaps demonstrated by its unwillingness to consider either softening its dogmatic line on racial policy or modifying the timetable for the advance to a republic when either might have made continued membership possible. [7]

The deterioration of South Africa's own attachment to the Commonwealth can no more be explained simply in terms of the advance

of Afrikaner nationalism than the rise of colonial nationalism can fully account for decolonisation. Afrikaner Nationalists captured the field through a long and determined campaign, but did not their success owe something to the fact that the British connection itself could no longer provide a banner around which their domestic political opponents could or would rally?[8]

In searching for an explanation for the decline of South Africa's attachment to the Commonwealth, it seems reasonable to apply the analytical techniques and theories employed in studying the rise and fall of European empires. The connection between Britain and South Africa had, after all, not changed so much by the end of the Second World War that it was no longer recognisable as an imperial relationship. Whatever her weaknesses in comparison to the United States or the Soviet Union, Britain remained, for South Africa, a dominant partner and one without serious contenders for that role. For her economic development and her strategic security, South Africa was still heavily dependent on Britain. In studying the British imperial relationship with South Africa in a late stage of its evolution, the most useful models appear to be those developed by Ronald Robinson and John Gallagher. Their approach, as developed more fully by Robinson, held that the essence of an imperial relationship, formal or informal, lay in the bargains struck between local collaborators and a metropolis wielding some measure of monopoly

power. Mutually advantageous bargains translated the wealth and power of the metropolis into political co-operation at the periphery. A relative monopoly in the provision of economic enticements and strategic protection provided the material basis of a bargain. The shape which it took was also determined by the local propensity towards collaboration or resistance. Here, local nationalist sentiments played a part. The breakdown of the Commonwealth connection can, like decolonisation, be described in terms of the collapse of formerly sound bargains because of a deterioration of the metropolitan monopoly power (due to changes in the level of international competition as well as to growth of local power) and to local political developments which pushed willing collaborators out of the picture. Collaborative links between Britain and South Africa had broken down to a considerable extent by the time South Africa declared itself to be a republic. This was by no means simply the culmination of an irreversible British decline coupled with a correspondingly irresistible Afrikaner Nationalist advance.[9]

Britain remained, in certain areas of the globe, a dominant military

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and even economic power. This was true with respect to southern and central Africa where Britain's monopoly power was perhaps as great as it was anywhere else in the world. Others powers of any significance either did not have the ability or the inclination to compete seriously for influence there. Even extreme Nationalist leaders such as J.S. Strijdom were prepared to collaborate closely with the British government when there seemed no alternative to reliance on Britain for economic and strategic security and while Britain maintained an imperial presence in the region. South African confidence in British power must, however, have been severely shaken by the Suez debacle and by the quickening of constitutional change in colonial Africa. An accelerated breakdown of the Commonwealth connection with South Africa seems to have coincided, to a significant extent, with the unravelling of the British imperial position in Africa. The South African government's interest in remaining a member of the Commonwealth seems to have declined not only because black African states were becoming members but, perhaps more importantly, because the withdrawal of British authority in Africa reduced the value of a close association with Britain. At the same time, the British government's retreat from direct imperial rule and its attempt to sustain its influence informally through the Commonwealth system made it both less inclined to align itself with the Union in resisting international interference in the domestic affairs of states and less willing to risk undermining Britain's moral leadership of the Commonwealth by appearing to condone South...
African racial policies.[10]

The British government's policy towards South Africa was further complicated by the British desire to resist the spread of Afrikanerdom. The danger that an Afrikaner nationalism, antagonistic to British interests, would gain ascendancy in South Africa was a major consideration in the formulation of British policy, particularly as it related to the South African government's attempts to extend its influence, both formally and informally, within Africa. This consideration bolstered Britain's determination to prevent either white settler communities or black peoples under British sovereignty in Africa from falling under South Africa's sway or direct authority.[11]

Against the revulsion generated by South Africa's repugnant racial policies, and the desire to resist the spread of Afrikanerdom, had to


be set the reasons for preserving good relations with the Union. In Whitehall, there were held to be four of these. First and second were the strategic and economic significance of South Africa. Third was the need to retain British control of the High Commission Territories - Swaziland, Basutoland, and Bechuanaland - which bordered on, or were imbedded in the Union. Transfer of the territories to the Union, something which virtually all South Africans regarded as inevitable, might result in the sacrifice of more of Africa to Afrikanerdom. Furthermore, it would call into question Britain's moral authority to rule dependent peoples elsewhere in the world. Fourth, and perhaps most important for ministers in post-war Labour as well as Conservative governments, was the determination to hold together the Commonwealth - that powerful source of prestige and symbol of world-wide influence.[12]

In no area of policy could Britain fully escape from the tension between repulsion from, and attraction to, South Africa. The tension was felt nowhere more strongly than at the United Nations Organisation. There, the desire to lend diplomatic assistance to a fellow member of the Commonwealth had to be balanced against the need to preserve Britain's prestige and moral authority. As was noted in Whitehall, 'it would be a good day for our colonial policy in Africa when the U.K. no longer appears in public as giving its blessing to South Africa!' Paradoxically, Britain's interests as a colonial power

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in resisting international interference tended to draw her, willingly or not, towards support of the Union.[13]

While South Africa (and more particularly, South African gold) had a pivotal role to play in sustaining the international trading and financial system centred on Britain, the whole-hearted British support for the Union's economic development, essential if Anglo-South African collaboration were to be sustained, was certain to increase South African influence beyond its borders in Africa. After the war, the Commonwealth was, in general, encouraged to assist Britain in shouldering some of her world-wide responsibilities. South African involvement in African affairs was, however, positively discouraged. In 1945, two members of the Smuts government complained that 'the Union was regarded in Great Britain with undeserved suspicion'. The Union was, they said, 'a British country and therefore any increase in its influence and power should be welcomed'. Instead, 'all ideas of any rapprochement with other African territories are actively opposed'. Furthermore, an 'intolerable situation would arise if after the war the United Kingdom refused to hand over the High Commission Territories'. Sir Evelyn Baring, the British high commissioner to the Union, feared that it would be 'difficult to reconcile a proper native policy with one of keeping (through the support largely of English speaking South African) the white rulers of a strategical key point of increasing

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importance within the orbit of the British Commonwealth'. Britain should never, Baring advised, 'sacrifice the true interests of Africans to a desire to remain friendly with a United Party Government at Pretoria'. The difficulty was to decide when co-operation with the Union outside its borders ceased 'to be innocuous and begins to assist development of an economic stranglehold'.[14]

In defence relations, a similar pattern prevailed. The British government wished to see South Africa's strategic assets - her geographical position, military capabilities, industrial potential, and mineral resources (especially uranium) - turned to advantage, but not at the expense of Britain's imperial position in Africa. Suggestions that South Africa might, at the end of the war, relieve some of Britain's manpower burdens by accepting responsibilities in former Italian colonies were rejected because of the 'considerable opposition both among native inhabitants and in certain political circles' in Britain. A South African defence commitment in an area of British responsibility outside of Africa, while attractive to

Britain, was politically out of the question for the Union government. During the war, South African ground forces had only fought outside of Africa after special legislation had been passed in the Union. Later in the 1940s, a South African military contribution to Middle East defence was sought. The defence of this region was to be, the British government decided after a monumental two year wrangle between Attlee and the Chiefs of Staff, a strategic priority. South Africa had somehow to be convinced that her full-scale involvement was essential in the Middle East but unnecessary in sub-Saharan Africa.[15]

Not even in the atomic field could Britain fully escape from the difficulties arising from South Africa's racial policies. A proposal for collaboration with South Africa in the construction of a reactor in central Africa met with the response from the British colonial secretary that there would be 'serious political difficulties in allowing the South African Government to sponsor a project in Rhodesia'.[16]

The strength of Anglo-South African collaboration was a measure of the Union's material dependence on Britain. It was also an indication


of British success in fostering a network of close personal contacts with senior South African policy-makers. Smuts was the most powerful of these. After his fall, the network of contacts between the British and South African governments did not immediately disintegrate. Some senior South African civil servants remained in place. More importantly, the Malan cabinet was not without its moderate members. More serious were the changes of leadership later in the 1950s. The accession to the premiership of Strijdom, in 1954, and Verwoerd, in 1958, represented, in each case, the triumph of extremism over moderation. Furthermore, uninterrupted Nationalist rule allowed the governing party gradually to replace officials inclined to be sympathetic to Britain and the Commonwealth connection with men who were more 'nationally-minded'. By the time that the South African government was considering what effects the declaration of a republic would have on its prospects for continued membership of the Commonwealth, British contacts in the Union government were few and far between.[17]

It was with respect to high level personal contact that the position of the high commissioner took on added significance. He was the representative best placed to intervene personally on behalf of his government on a regular basis. The position of the British high commissioner to the Union was complicated by his responsibility for administering the High Commission Territories. The material

dependence of the Territories on the Union meant that the high commissioner was inclined to place a premium on sustaining South African co-operation. At the same time, he was often asked for advice on how hard British demands should be pressed, or delegated the task of pressing those demands himself. The self-generated and self-sustaining powers which have been attributed to nineteenth century high commissioners seem not, in the post-war years, to have completely lost their significance. [18]

South Africa's relations with Britain have been examined in various broad studies as well as in a number of accounts of specific themes and events. [19] Relatively few writers have had the advantage of sustained penetration into government archives. Most of these have concentrated on political, racial, defence, or diplomatic


This dissertation will focus on relations at the United Nations, as well as interaction in the fields of economics, defence, and atomic development in the years 1945 to 1956. A detailed examination of these areas hopefully will contribute to a more comprehensive understanding of the determinants of government policy. Furthermore, it seems worthwhile to see how far South Africa's departure from the Commonwealth can be viewed in terms of, and as part of, post-war decolonisation. One aim has been to avoid a narrowly bilateral Anglo-South African approach and in so doing to emphasise that the policies of Britain and the other old Commonwealth countries were not based simply on calculations about the immediate or obvious material interests at stake in relations with the Union. An examination of South Africa's relations with Commonwealth countries other than Britain will serve to show how little concerned the Union government was about these. In the end, it was South Africa's failure to establish effective multiple links that proved fatal to the continuance of her Commonwealth membership.[21]


Chapter 1

The Smuts government's post-war external relations, 1945-1948

Part 1

Relations at the United Nations, 1945-1948
At the United Nations, South Africa's relations with Britain and the Commonwealth were dominated by two issues: the destiny of South-West Africa and the international complaints against the Union's racial policies. As a prominent elder statesman and a leading proponent of the Commonwealth system, Smuts naturally expected that the Union would be able to derive considerable strength from her own membership of the Commonwealth. Within the governments of Britain and the other old dominions, however, there was considerable reluctance either to contradict the ideals upon which they sought to base their policies or to attract domestic and international criticism to themselves. Smuts found that not only was another member of the Commonwealth to be a principal antagonist of South Africa at the United Nations, but that even the older members of the Commonwealth were, when not positively unwilling, most reluctant to openly support South Africa on these two issues.[1]

Well before the end of the Second World War, it had become apparent that the South African government's plans for the territory it controlled under a League of Nations mandate were going to conflict with Australian and New Zealand proposals for the protection of dependent peoples. The Pacific dominions advocated a system of trusteeship under which ruling powers would be accountable to the United Nations and all non-self-governing territories would be administered according to principles intended to promote the welfare

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of the inhabitants. In the spring of 1945, at the Commonwealth gathering held prior to the San Francisco conference, Australian and New Zealand representatives made no secret of their displeasure at Britain's refusal to fully accept the trusteeship system. Peter Fraser, prime minister of New Zealand, said that the British government would be 'placed in an isolated position and stigmatized as reactionary' at San Francisco. He was anxious 'lest there be no method of bringing to the bar of world opinion those countries which treated their native populations badly'. Herbert Evatt, who was the Australian minister for external affairs and something of an enfant terrible at international gatherings, wholeheartedly supported the New Zealand line. Smuts, while accepting that something had to be done to meet public opinion in the United States, thought it wise to go no further than to accept the principle of trusteeship as the British government had suggested.\[2\] On this occasion neither Smuts nor Heaton Nicholls referred directly to South-West Africa. It seems clear that if they had mentioned their desire for immediate incorporation, this policy would have encountered the same aggressive opposition from Fraser and Evatt to which the British government had been subjected.\[3\]

2. At this same meeting, the South African high commissioner in London clearly revealed the Union's expansionist ambitions. Heaton Nicholls suggested that the supervisory arrangements designed for administering Pacific islands would be unsuitable in Southern Africa where 'the 13 or 14 separate territories had, for the last 20 or 30 years, been tending to merge together as a single unit.' A 1/91, BCM(45) 12th meeting.

3. A 1/91, BCM (45) 12th meeting.
At San Francisco, Smuts aligned South Africa's delegation closely with Britain's on the trusteeship question. The 'strange humanitarian tendency' which found expression in provisions for 'equal rights all round and other embarrassing proposals so far as we are concerned' was noted by Smuts early on at the conference. The strong pressure to accept international supervision of dependent territories was attributed to the same tendency. Smuts was determined not to allow the Soviet Union an opening for 'mischievous propaganda among mandate and colonial natives'. All of the mandatory powers except South Africa were forced to concede that they might be willing at least to consider trusteeship.\[4\]

By the end of 1945, South African policy-makers understood that while incorporation was bound to encounter substantial opposition in some quarters, little support could be expected from even old members of the Commonwealth. Heaton Nicholls wrote that the Union had to contend with 'the anti-colonial empire prejudices of the Americans'; the desire of countries like India, the Philippines, and the Arab states to aid 'what they regard as the legitimate aspirations of all subject people'; the indifference of the South Americans, 'who only want to side with the Americans'; and the Soviet desire 'to secure a finger in every trusteeship pie'. 'The Left Wing intellectualism which characterises the attitude of Creech Jones' made it doubtful whether Britain would be 'made more than luke warm in their support of our

The realisation that incorporation was bound to encounter substantial international opposition did not lead the Smuts government to alter the fundamental objectives of its policy. Instead, there was an attempt to alter the appearance of the policy to make it more palatable to the United Nations.[6] Heaton Nicholls argued that the Union should 'act first and argue if necessary afterwards.' For him, preventing an extension of Soviet influence in Africa was a pre-eminent concern. He insisted that 'we should make every attempt to avoid concluding any agreement' because of the risk that the Soviets might gain recognition as one of the 'states directly concerned' with the trusteeship of the territory. Smuts shared this concern. He warned that the League of Nations must not, at its final meeting in the spring of 1946, transfer its functions to the United Nations.[7]

Smuts attempted to persuade the British government to adopt, with respect to Britain's African mandates (as well as the former Italian

5. Creech Jones was, at that time, the parliamentary under-secretary for the colonies as well as a British representative to the UN. A 1/163, Heaton Nicholls to Smuts, 15 Dec. 1945.

6. The course favoured by Smuts involved waiting until the Union came to negotiate a trusteeship agreement. The United Nations would then be asked to approve the grant to South-West Africa of representation in the Union parliament. It would then be claimed that this grant of fuller political rights did not conflict with the Mandate or the Charter and did not amount to incorporation or annexation. If approval were not given, the Union government could then reconsider its offer to place the territory under trusteeship. A 1/163.

colonies), a strategy of holding on to her position as the controlling power until a satisfactory international agreement could be ensured. By the end of 1945, the Attlee government had decided that it had more to gain by taking the initiative in placing its mandates under trusteeship since 'any other course would be unacceptable internationally.'[8]

At the first session of the United Nations General Assembly, held in London during January 1946, South Africa's representatives discovered that criticism of their government's intentions towards South-West Africa could not be evaded by stating no more than that the Union intended to consult the inhabitants of the territory. New Zealand-led pressure to submit a trusteeship agreement was strongly resented by the Union delegation. On the advice of its delegation, the Smuts government reluctantly agreed that it would have to go further. A statement was made to the effect that after the freely expressed will of the inhabitants had been ascertained, the decision of the Union government would be submitted to the Assembly for judgement. The delegation's further recommendation that South Africa declare its intentions to submit a trusteeship agreement was not accepted. 'We are', wrote Smuts, 'determined to negotiate that agreement as free agents and not to commit ourselves in advance ....' Smuts clung to the position that if no new trusteeship agreement could be arrived at and the plea for incorporation failed, 'the worst

that could happen is that the Union position remains in statu quo' with both its rights and duties under the Mandate remaining unaffected.[9]

In Whitehall, at least one minister was unable to accept the advice from officials that incorporation should be publicly supported. George Hall, the colonial secretary and veteran trade unionist, refused to endorse this policy even though colonial office officials had agreed that they need raise no objection to it.[10]

Hall's attitude was received with some incredulity by officials. His recommendation that Britain go no further than an undertaking not to oppose the Union was described as 'disingenuous'. Failure to support the Union would inevitably be interpreted by the United Nations as a demonstration of dissent. This would take away any chance of success for South Africa. Lord Addison, the secretary of state for dominion affairs, was advised by his officials to emphasise in cabinet the two main reasons for his recommendation which Hall's paper entirely ignored: that Britain's virtual opposition was likely to alienate not only the Smuts government but also the public opinion of the 'whole European population of the Union', and that the case of South-West Africa was 'in fact and not merely by allegation' different to that of the other mandated territories 'on solid geographic, economic and


10. DO 35/1933; DO 35/1934, note by Cumming-Bruce, 16 April 1946.
administrative grounds.'[11]

In cabinet, Hall explained his case: South Africa had been much criticised at the United Nations with the New Zealand prime minister being among the critics; a considerable body of opinion in Britain was opposed to incorporation; moreover, support for South Africa would make the French desire to incorporate their mandates more difficult to resist. The cabinet minutes recorded that there was 'much force' in the arguments against supporting South Africa. An undesirable precedent might be set which would encourage other powers to annex territory. On the other hand, the Union would have to prove her case before the United Nations and there might be advantage in public discussion of Union native policy. Would it not be reasonable to support incorporation, it was asked, if the consent of the native as well as the European inhabitants 'had been sought and obtained by methods agreeable to the UN?' The arguments were thought to have been 'nicely balanced'. The final decision was to be deferred until the matter had been discussed with Smuts, who would be attending the gathering of Commonwealth prime ministers.[12]

In London, at the end of April, Smuts explained to his Commonwealth colleagues some of the reasons for his reluctance to submit a trusteeship agreement. Effective control over immigration would be lost. The opportunity for 'mischief-making' would be much greater.

11. DO 35/1934, note by Cumming-Bruce, 16 April 1946.

Moreover, power politics would be introduced into a system which was meant to be humanitarian in nature. Evatt and Nash, the representatives for Australia and New Zealand, made it clear that they did not share any of these fears. After the prime ministers' meetings, Smuts must have known that he would have to struggle to secure qualified support even from the other old dominions.

In mid-May, Hall and Addison once again confronted each other in cabinet. Addison recalled that after the First World War, Britain, Australia and New Zealand had favoured the incorporation of South-West Africa. He also pointed out that the native administration

13. A 1/92, PMM(46) 7th meeting, 29 April 1946. The incorporation issue was addressed once more by the Commonwealth prime ministers on the penultimate day of the gathering. Smuts made no secret of what he regarded as the significance of Commonwealth backing on this issue: it would be 'striking evidence' that South Africa really did derive status and strength from its membership of the Commonwealth, and would thus 'be of very great assistance in promoting causes they all had at heart.' Mackenzie King made an evasive reply and suggested that it was inadvisable for members of the Commonwealth to declare their views in advance. Evatt said that, as at San Francisco, there was likely to be 'very strong feeling' at the Assembly against the annexation of mandated territories. The Australian government would have to consider the effect of incorporation on expansionists who wanted to annex New Guinea. Nash said that the New Zealand government could lend its support if incorporation were secured through the trusteeship system. A 1/92, PMM(46) 17th meeting, 22 May 1946.

14. In London Smuts had been advised to seek American support for incorporation. Forsyth, the secretary for external affairs, approached the American ambassador in the Union. Forsyth said that the Union government, recognising the 'evils' of South Africa's native policy, was determined to continue the existing policy in the South-West. It was hoped that this would convince Southern Rhodesia that the Union was capable of handling such matters and would thus influence the colony to join the Union. Foreign Relations of the United States, 1946, vol. V, p. 121.
in the territory had not been subjected to the criticism directed against the treatment of the native population in the Union itself and that most of the natives appeared to favour incorporation. Furthermore, there was the much larger issue of South Africa's association with the Commonwealth. Support for Smuts would strengthen Smuts's hand 'against the secessionists in South Africa, whose activities were causing him considerable difficulty.' Against this, Hall pointed out that there was 'much concern' throughout Africa and elsewhere against the native policy of the Union government. India and the Soviet Union could be expected to oppose South Africa. The foreign secretary threw his weight behind Hall. Addison's memorandum had recommended that Britain should support the Union and do what it could to secure the support of the other dominions. The cabinet could not agree to go this far. It would only accept that incorporation should be supported if the consent of the inhabitants had been sought and obtained by methods agreeable to the United Nations.[15]

As if there were not enough obstacles already confronting his policy, Smuts found himself battling in London to prevent Tshekedi Khama (the regent of the Bangwato tribe in Bechuanaland) from travelling to Britain to voice his opposition to incorporation. Smuts pulled no punches in dealing with the situation. His secretary for external affairs informed the dominions office that 'a violent Press campaign' in the Union would ensue if Tshekedi visited Britain. Such a campaign

15. CAB 128/5, CM45(46)8, 13 May 1946.
would impel Smuts to take steps in the Union parliament to secure the transfer of the High Commission Territories. Since transfer would be opposed in Britain as well as in the Territories themselves, such parliamentary action 'might well have far reaching constitutional implications and might well strike even at fundamentals.' By this Forsyth can only have meant that the Union's links with the Commonwealth were at stake.[16]

In an effort to relieve the pressure which the Tshekedi issue was generating, Addison suggested that a public statement on Britain's South-West Africa policy should be made. The reluctance to provide ammunition for Russian propaganda attacks on British policy led Bevin to urge delay. The colonial office wanted to adhere closely to the cabinet conclusion. To do so would, in the dominions office view, be embarrassing to the Union. By the end of July, Addison had become insistent about the need to make a public announcement of policy. He had had to head off a resolution being proposed by the external

16. DO 35/1935, note dictated by Forsyth, 24 May 1946. The Attlee government was, in 1946, being pressed (by various British bodies concerned with the promotion of African rights) to grant a priority passage to Tshekedi. The cabinet decided that Baring, the high commissioner to the Union, should attempt to stop Tshekedi through friendly persuasion. The significance of this situation was re- emphasised by Smuts who told Addison that the case 'might easily serve to inflame opinion in the Union and start agitation for incorporation'. DO 35/1935, note by Addison, 28 May 1946. This episode foreshadows the Seretse Khama controversy. The British cabinet was warned that recognition of Seretse (who had married a white woman) as chief in Bechuanaland might 'unite and inflame' opinion in South Africa, and thus lead to a crisis over the control of the High Commission Territories. See R. Hyam, 'The political consequences of Seretse Khama: Britain, the Bangwato and South Africa, 1948-1952', The Historical Journal, XXIX (1986), pp. 921-947.
affairs group of the Parliamentary Labour Party regretting the refusal to allow Tshekedi to visit Britain. Domestic political difficulties had, Addison thought, begun to outweigh concerns about Russian propaganda. The foreign office could not agree. The whole question was left in suspense over the summer recess of parliament.[17]

The Union government took a special interest in the long-awaited statement of British policy. Heaton Nicholls made it known that the inclusion of the proviso that support was conditional upon the methods being agreeable to the United Nations 'would raise all sorts of difficulties'. Smuts felt that the attitude of the British government was 'unsatisfactory'. If it became known in the Union it would 'cause much mischief' and 'would increase the pressure for immediate incorporation of Protectorates'. Once again Smuts sought to draw on British fears of a breach with South Africa over the transfer of the High Commission Territories. He suggested to Heaton Nicholls that a 'hint by you might be helpful'.[18]

Under South African pressure, the dominions office decided to press for a change in Britain's policy. Cabinet was asked by Addison to agree that, in reply to a parliamentary question, it should be stated that the British government supported the South African case and was satisfied with the steps taken to ascertain the wishes of the

17. DO 35/1936.

inhabitants. If the Union government failed to get its way at the United Nations, it was, the memorandum declared, 'of the highest importance to our relations with them' that they should not feel that their lack of success was 'in any degree due to our failure to do all that we could on their behalf.' Some ministers again expressed 'serious doubts' about the expediency of supporting the Union. It was not enough that consultation should have been fair in fact; it must also be possible to prove to the world in general that it had been fair. A decision was postponed until after discussions with Smuts who would stop in London on his way to the Assembly in New York.[19]

'Prospects look pretty bad', wrote Smuts in October 1946 in reference to the South African questions awaiting him at the United Nations. Pressure groups in New York and Washington were expected to be 'extremely active and tiresome'. In London, he told Hofmeyr, 'we have the "kaffer boeties" of the Labour Left to deal with, and they are also very troublesome.' When he discussed South-West Africa with Attlee and Addison, Smuts actually found the outcome 'quite satisfactory'.[20]

The meeting with Smuts tipped the balance in the cabinet in favour of supporting South Africa. The long-awaited parliamentary statement would include an assertion that the British government was 'satisfied as to the steps taken by the South African Government to ascertain

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the wishes of the inhabitants.' (This was despite the strong doubts expressed by some officials regarding the validity of the enquiry.)[21]

From early in the autumn of 1946, Whitehall had been engaged in a debate over the second major issue which concerned South Africa at the United Nations - the Government of India's complaint about the treatment of Indians in the Union. This issue provoked further rare splits in ministerial opinion and rejections of official advice. On this occasion it was the secretary of state for India, Lord Pethick-Lawrence, who took strong exception to the policy which officials in his own department were prepared to accept. A note prepared by the foreign office and agreed upon at the official level by the India, dominions, and colonial offices took the line that the treatment of Indians was within South Africa's domestic jurisdiction; the British Government should therefore act to ensure the United Nations accepted that it was not competent to deal with the complaint.[22]

Pethick-Lawrence saw that the adoption of this policy could have the

21. CAB128/6, CM88(46), 18 Oct. 1946; DO 35/1214. The absence of comment in the British House of Commons was not, as Geldenhuys deduced, evidence that the South-West Africa issue was of little public importance. Rather, it was an indication that the Attlee government wished to avoid either providing ammunition for Russian propaganda or upsetting the Smuts government. See D. Geldenhuys, 'The effects of South Africa's racial policy on Anglo-South African relations, 1945-61' (unpublished Cambridge Ph.D thesis, 1977), p. 78.

22. DO 35/1293, note by Tait, 10 Oct. 1948.
most serious effect on future relations with India. British actions in this 'very delicate situation' could determine whether India desired Commonwealth membership — an issue much in doubt and agonised over — and the extent to which India would turn to the Soviet Union. The secretary of state for India urged that the British delegation be instructed to make their neutrality absolute and to state that since the dispute lay between two members of the Commonwealth, Britain would take no part in the discussions. [23]

The foreign, dominion affairs, and Indian secretaries each presented a memorandum to the cabinet on this issue. Bevin's paper argued that the matter should be considered one of South African domestic jurisdiction. It also noted that it 'seems most important for the future of the Commonwealth' that as far as possible the United Kingdom should preserve a strictly impartial attitude on the merits of the case. [24] Cabinet as a whole adopted the view that it would be impossible for the British government, 'as a leading member of the United Nations', to dissociate itself entirely from all discussion of the matter in the Assembly. Every effort would, however, be made to prevent the Assembly from discussing the merits of the complaint. [25]

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In India itself, antagonism towards the Union government was heightened by the fact that the dispute with South Africa had become intertwined with pre-independence anti-British agitation. Wavell, the Viceroy of India, disturbed that two parts of the empire 'should be so openly at loggerheads', complained that Indian politicians 'always act as though the S.A. Government was under the control of His Majesty's Government'. Pethick-Lawrence wondered whether India would have appealed to a Commonwealth body for handling disputes if one had existed. That the complaint over the treatment of Indians was 'sedulously avoided' by the prime ministers during their London gathering did not inspire confidence in this regard.[26]

For the Canadian government, India's complaint was an 'embarrassing' issue, likely to require some 'delicate decisions' at the United Nations. A refusal to consider the substance of India's complaint 'would leave the field to the Soviet Union in this round of the battle ... for the sympathies of coloured and colonial peoples of the world.' Moreover, Canadian legislation in British Columbia would not be immune from attack. The best course, the Canadian delegation was advised, was to exercise a moderating influence.[27]

26. Mansergh, Transfer of power in India, VIII, pp. 19 and 141. Hancock has implied that at the 1946 prime ministers' meeting Smuts sought support for fending off the Indian attack. There is no evidence to suggest that the issue was discussed even informally (as Geldenhuys surmised). Hancock, Smuts, II, p. 467; Geldenhuys, 'The effects of South Africa's racial policy', p. 64.

As the United Nations debate on the Indian complaint progressed, it became apparent that the Union would be unable to seek refuge behind the domestic jurisdiction argument.\[28\] The complaint proved to be 'one of the more disturbing and contentious issues' at the Assembly. There was powerful pressure to consider the dispute as a test case for the human rights provisions of the Charter. According to the British delegation, the tide had turned against the Union not so much because of the charges made by India as because of the statements made by the South Africans in their own defence. In making it reasonably clear that the Indians were not maltreated, it was made obvious that the basis of the governmental order in South Africa was racial discrimination.\[29\]

The anti-South African sentiments aroused by the Indian complaint transformed the Union's prospects for securing support for the

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28. Recognising that the Indian government regarded the issue as a matter of national prestige and would strongly resent the British line (which was in any case headed for defeat), the British delegation called for a revision of policy. The delegation's leader, the attorney-general Sir Hartley Shawcross, was reluctant to advocate a legal view which he himself regarded as 'ill-founded'. Sir Stafford Cripps (who was president of the board of trade, a member of the India and Burma cabinet committee, and had led ministerial missions to India in 1942 and 1946) was 'very much disturbed' by the attorney-general's suggestion that 'the basis upon which we proceeded was wrong'. Despite these doubts, cabinet reaffirmed the earlier decision. DO 35/1293, 29 Oct. 1946; DO 35/1293; CAB 128/6, CM(46)94, 4 Nov. 1946.

29. Despite the opposition of Britain, Canada, New Zealand, and South Africa (as well as the United States), the required two-thirds majority was gained for a resolution declaring that the treatment of Indians in the Union should be in conformity with the 1927 Cape Town agreements (concluded between India and South Africa). Australia had abstained, which aroused 'a good deal of feeling' and 'bitter comment' in Union ministerial circles. DO 35/1214; DO 35/1295.
incorporation of South-West Africa from poor to dismal. In August 1946, Heaton Nicholls himself had advised that 'we should do everything possible to avoid an acrimonious wrangle over the rights and wrongs of the Indian position in Natal, as this might have parlous consequences for our case on South-West Africa'. The Union cabinet, as well as Heaton Nicholls, advised Smuts not to postpone discussion of incorporation until 1947 (as the American government desired). The cabinet was 'definitely of the opinion' that postponement would 'put us in worse position next year' and would expose the government and Smuts in particular to domestic criticism. Led by Heaton Nicholls, South African policy-makers continued to seek refuge from the realities of the situation, on this occasion by persuading themselves that difficulties could be evaded by asking the United Nations to do no more than take note of the views expressed by South-West Africa's inhabitants.[30]

Smuts himself admitted that asking formally for a motion of annexation would only lead to defeat - something 'to be avoided at all costs'. Unfortunately for the Smuts government, members of the United Nations paid little attention to the precise wording of the Assembly's agenda. Other governments saw, as the South Africans themselves did, that the true issue at stake was the future status of South-West Africa.[31]

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Britain's was the only Commonwealth delegation to actively assist South Africa on this issue. Along with the Soviet Union, India led the attack against incorporation. The Canadian government had judged that exception should be taken to the South African intention to proceed on the basis of consultation conducted by the Union government alone. Privately, the Canadian delegation explained that 'they had done enough' for South Africa in speaking and voting in her favour on the Indian complaint. The Australian delegation was not able to support incorporation when its government had decided to put its own mandate of New Guinea under trusteeship. While the Canadian, Australian, and New Zealand delegations were officially silent, the New Zealand delegation unofficially made no secret of their government's dislike of the proposal.[32]

Despite having found his failure at the Assembly to have been 'a bitter experience', Smuts seems to have been stimulated to prepare South African opinion for a less restrictive racial policy. At the

32. RG 2, A 5a, 15 Nov. 1946; DO 35/1938, 7 Dec. 1946; CO 537/2073. According to the British assessment, the Union delegation had 'seriously under-estimated' the hostility which their proposal would arouse. They had, moreover, played their hand badly. Little was done to make contact with other delegations or to conciliate them. The question was never discussed at a Commonwealth meeting held at the Assembly even though Smuts had called one for this purpose. The tactical failings of the South Africans did not affect the ultimate fate of the proposal. This was thought to have been doomed once American opposition had become known. While anti-colonial prejudices, sympathy for India, and suspicion of 'imperialism' all played a part in engendering opposition to South Africa, the predominant factors operating against South Africa were, in the British delegation's view, the antagonism generated by the Indian complaint and the rising tide of nationalism among the races of Asia which rallied the 'coloured' states against a government 'avowing a policy of white supremacy'. CO 537/2073.
end of 1946, S.F. Waterson, the minister for mines and economic
development, pointed out that a careful reading of the speeches
delivered by Smuts after his return to the Union would show that a
lead was being given for the removal of the more indefensible
features of the existing system.[33]

While an end to further acrimonious wrangling between India and the
Union would have been welcomed by other members of the Commonwealth,
none was willing to expose itself by acting as mediator. The
American state department suggested that the Canadian government take
on such a role. This suggestion seems to have been regarded
favourably by the British government, but Lester Pearson, the senior
official in the department of external affairs, thought it unwise to
intervene even to the extent of making informal approaches to the
governments concerned. Louis St. Laurent, the responsible minister,
concurred.[34]

The Union government's willingness to negotiate with the Indian

33. DO 35/1295, Sedgewick to Machtig, 28 Dec. 1946.

34. 'Documents on Canadian External Relations', 1947 (not yet
published), Wrong to Pearson 12 Apr. 1947 and Pearson to St. Laurent
2 Aug. 1947. There seems to be no evidence to support Geldenhuys's
suggestion that Britain made behind-the-scenes attempts to mediate in
the Indo-South African dispute. D. Geldenhuys, The diplomacy of
isolation: South African foreign policy making (Johannesburg, 1984),
p. 8. That mediation would have stimulated a settlement seems
doubtful. The Earl of Listowel, the new and final secretary of state
for India, suspected that acceptance of Nehru's demands would mean
'political suicide for Smuts'. The United Party had recently lost an
important bye-election 'mainly because of Smuts's alleged liberal
attitude towards Indians'. Listowel believed that if Smuts went
further 'his fall at the 1948 election in the Union seems certain'.
Mansergh, Transfer of power in India, XII, p. 253.
government (though not on India's terms) was, along with improved South African tactics, one of the main factors in the Union's more successful showing at the United Nations in the autumn of 1947. The failure of an Indian resolution, calling for a round-table conference on the basis of the 1946 resolution, came as a blow to the Indian delegation. The old Commonwealth was united in opposing it as well as in voting for a resolution calling for a clarification of the issue by the International Court.[35]

At the second session of the Assembly, at the end of 1947, the central point of contention on the South-West Africa issue was whether the Union was legally obliged to submit a trusteeship agreement. None of the old members of the Commonwealth accepted that it was. Britain, Australia, Canada, and South Africa all voted against a resolution recommending trusteeship. The New Zealand delegation was disposed to vote for it. Abstention was the furthest

35. United Nations, Yearbook of the United Nations 1947-48 (Lake Success, 1949), pp.52-9; United Nations, Official Records of the General Assembly, 2nd sess., 120th plenary meeting, pp. 1169-70; (hereafter cited as GAOR). The South African delegation warned its own government that it could not, despite the setback experienced by India, rest on the existing position at the United Nations. The future goodwill and support of the Union's friends in the Assembly would depend upon the extent to which the Union proceeded positively and constructively with both her domestic racial policy and her relations with India. A 78/4, AE 2/1/1, external affairs policy review, Feb. 1948; CO 544/3477.
it could go in the interests of old Commonwealth solidarity.[36]

On the South-West Africa issue, the Union delegation did not foresee that a failure to alter policy would lead to the same deterioration of international support that was anticipated with respect to the Indian complaint. The South African representatives took note of the growing body of international opinion which supported the contention that there was no legal obligation to submit a trusteeship agreement. The Assembly, the South Africans hoped, 'may ultimately weary of our "intransigence"'.[37]

The South African delegation seems not to have recognised just how

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36. CO 537/3477, note by Shannon, 13 Nov. 1947. In Whitehall, it was recognised that supporting the Union on the South-West Africa issue might prove to be even more difficult in 1947. In the colonial office it was suggested that the South Africans should be left to 'paddle their own canoe' at the Assembly. Foreign office officials favoured trusteeship. Sir Eric Machtig, the permanent head of the Commonwealth Relations Office (CRO), pointed out that public opinion in the Union was 'almost unanimously opposed to trusteeship' and that it would be 'politically out of the question' for the Union government to propose it. CO 537/2073, 4 July 1947. In Ottawa, it was thought that Smuts had 'made a mistake in bringing the issue before the United Nations at all'. 'DCER', 1947, 15 Sept. 1947; DO 127/119, note by I.G., 15 Sept. 1947

37. A 78/4, AE 2/1/1, external affairs policy review, Feb. 1948. The British assessment was less sanguine. The position of the territory was generally felt to be unsatisfactory. It was neither a colony nor a trust territory. On top of that, the administering government practised 'a colour bar policy which is utterly out of tune not only with the wording of the Charter but also with most modern thought.' The Union could be considered 'to have got off lightly in 1947' when 'half the jury is prejudiced against South Africa on racial grounds' and 'most of the other half are against her on merits.' CO 537/3477, note by Shannon, 13 Nov. 1947.
tenuous was the support which the Union enjoyed.[38] Australian and New Zealand representatives reportedly felt that their position was going to be a 'delicate and invidious one'. They resented 'pretty strongly' the position in which the Union had placed them. The British representative said he would 'find it extremely difficult to speak and vote on this issue in a way that would be contrary to his own conscience.'[39]

Although the Commonwealth association did not provide the Union with the full and unqualified support at the United Nations for which the Smuts government hoped, it seems evident that without the Commonwealth link, the Union delegation would have found itself in a far worse position with respect to the Indian complaint and South-West Africa. While the other old Commonwealth governments were inclined to agree that the treatment of Indians might be a matter of domestic jurisdiction, they also saw that there were good reasons for at least remaining silent on the issue. There was, from the start, a strong reluctance to appear as a supporter of South African racial

38. Despite being advised by both friendly and antagonistic nations to submit a trusteeship agreement, Smuts remained steadfastly opposed. In Africa, the resistance of whites to trusteeship was not confined to the Union. A member of the East African Central Assembly wrote to Smuts moaning that a trusteeship inspection committee 'consisting probably of all the U.N.O. scallywags which Russia can influence' would provide 'a wonderful avenue of communist propaganda.' Smuts Papers, MS.753, vol.88, 309, Vincent to Smuts, 24 Jan. 1948.

policies, deny the human rights provisions of the Charter, or alienate India while the future of her relationship to the Commonwealth hung in the balance.

There were further and possibly stronger reasons for not supporting the incorporation of South-West Africa. Proceeding on the basis of unsupervised consultation conflicted with the principle of trusteeship. It also set an unfortunate precedent. On the basis of considerations similar to those which probably underlay Canadian, Australian, and New Zealand policy, the Attlee government came close to opposing incorporation and closer still to adopting a non-committal attitude. It was the argument that any other course would seriously undermine Smuts's position that led the British government to agree that it should, in effect, support incorporation.

For its part, the Smuts government's expectation that Commonwealth support would be readily forthcoming went hand in hand with the perception that difficulties at the Assembly could be side-stepped through the adoption of a clever legalistic line. South African racial policies were simply too indefensible for the Union to succeed in its claim that the Indian complaint was outside the competence of the Charter. Even without the anti-Union sentiments generated by those same policies, it was foolish for the Union government to have expected that it could avoid a rebuff at the United Nations by asking the Assembly to do no more than acknowledge that consultations with South-West Africa's inhabitants had taken place. Domestic political constraints and the determination to press ahead with their
expansionist aims seem to have blinded South African policy-makers to the obvious faults in their South-West Africa policy. The experience at the United Nations may have prompted Smuts to prepare the Union for a more liberal racial policy, but any such tendencies were swept away in May 1948 by the rising tide of Afrikaner nationalism.
Chapter 1, part 2

Economic relations, 1945-1948
With her large gold reserves and her capacity for further production of this and various other valuable minerals, South Africa was strongly placed financially at the end of the Second World War.[1] The Smuts government was, naturally enough, anxious to derive maximum advantage for the Union from this strength. Equally keen to gain benefits from South African financial resources was the Attlee government which, in its struggle to effect an economic recovery and regain financial independence, looked to the Commonwealth and empire for assistance. South African gold was seen to have a vital role to play in sustaining the international system of trade and finance centred on Britain. The benefits of this system were welcomed by the South African government. There was, however, a strong South African reluctance to adopt the restraints and make the sacrifices which were needed if this system were to survive. Moral persuasion, and calls for equitable contributions to a common cause, would not in themselves be enough to move the South African government. Economic self-interest also had to come into play. Despite the damage its economy sustained during the war and its weakness in comparison to

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1. South Africa's overseas debt had been reduced by over £70m. Reserves of gold had grown by £150m. By contrast, Britain's post-war financial position was desperate. The war had cost Britain £7,000m - one quarter of its national wealth. The war had incurred. £1,500m, one half of Britain's pre-war overseas assets, had been lost. Gold and dollar reserves stood, in 1945, at less than £500m. Britain was expected to accumulate in the first years after the war a trade deficit of £1,500m before an equilibrium was reached. N. Franklin, 'South Africa's balance of payments and the sterling area, 1939-1950', Economic Journal, LXI (1951), p. 291; A. Bullock, The life and times of Ernest Bevin, vol. III, Ernest Bevin: foreign secretary (London, 1983), pp. 121, 125; K. Morgan, Labour in power, 1945-1951 (London, 1951), p. 144.
the United States, Britain retained a measure of economic dominance in relation to the Union - a dominance which became more apparent as South Africa squandered its exchange reserves and discovered that there was no substitute for Britain as a market and a source of essential goods and capital. This dominance (in conjunction with the British ability to draw on the Commonwealth sympathies of some senior South African policy-makers) seems to have been crucial in the moves made towards placing Anglo-South African financial relations on a footing satisfactory to Britain. The Smuts government was forced (under British prompting) to concede that some sacrifices would have to be made in order to uphold the economic world system of the only power which was willing to be a fully effective partner in South African economic development.

Britain's pre-eminent post-war financial concern was to balance its trade with dollar countries.[2] The significance of South African gold was partly that it was freely convertible into dollars and partly that the Union normally ran a trade deficit with Britain which was covered through a transfer of gold. Within the British government there were hopes that the post-war 'dollar shortage' could

2. Britain and old dominions each ran a trade deficit with the United States after the war. Before the war both Britain and Canada had relied upon the the hard currency surplus generated by the southern dominions and the colonies to offset their own dollar deficits. This arrangement had been upset by the dislocations of war. Colonies in the Far East had been under enemy occupation. An increased reliance on north American supply had grown up for strategic reasons. Britain had been stripped of a large proportion of her dollar-earning overseas assets. Furthermore, consumer demand, which had been restricted during the conflict, was released into an environment where American goods were both available and sought after.
be solved through a continuation of the system of financial controls adopted during the war by Britain, her colonies, and the three southern dominions - Australia, New Zealand, and South Africa. These were the most important constituents of what became known as the sterling area. Members were bound together by a system of exchange controls which prevented any flight of capital outward from the area but which maintained a relative freedom of transactions within it.[3] The benefits accruing to Britain through the operations of the sterling area system were set out in a 1944 cabinet memorandum prepared by J.M. Keynes.

During the war all the members of the sterling area apart from ourselves, have had a favourable balance of payments with the rest of the world. They have also had a favourable balance in terms of United States and Canadian dollars. In such circumstances, a pooling arrangement has been, of course, wholly to our advantage. The sterling balances, approaching £2,000 millions, which the other members of the area have accumulated in London are an exact measure of the favourable balance of each of them with the rest of the world (including ourselves), which they have placed at our disposal.[4]

There was, however, a price to be paid:

if, after the war, the tide turns the other way and these countries seek to use these balances for reconstruction,

3. During the war all of the sterling area's members eventually agreed to impose import controls as a means of conserving dollars. With the exception of South Africa, members also kept the best part of their currency reserves in London and agreed to prevent a rise in their independent reserves by selling any excess to the Bank of England's 'Exchange Equalisation Account'. This account became known as the 'dollar pool'. The proceeds from these sales were held as sterling balances.

for deferred consumption and to replenish their stocks, so that they have an adverse balance of payments, the advantage of a full pooling arrangement is precisely reversed.[5]

The existence of this potential burden was not widely recognised within the British government. The 'notion that the sterling area, as at present constituted, is something which we can live upon' was described as 'one of the most dangerous of the delusions with which we are at present infected.' The Union's large gold reserves presented Britain with a tantalising prospect. This gold could help to solve Britain's and the sterling area's 'dollar shortage' but only if South Africa itself took positive steps in the right direction.[6]

The British treasury was inclined towards the view that Britain should make the most of its bargaining position and force independent members of the sterling area such as South Africa to limit their drawings from the dollar pool through exchange and import controls.[7] The absence of alternative markets for agricultural goods and sources of supply of capital funds and goods provided Britain with a considerable measure of monopoly power in its post-war

5. Moggridge, Keynes, vol. XXIV, p. 44.


7. Keynes had proposed that the sterling area should be converted into a closed system, in which Britain would limit its liability to find dollars for the rest of the sterling area to the amount of each member's own current dollar earnings. These proposals were rejected on the grounds that they might lead to the system's breakup. Moggridge, Keynes, vol. XXIV, pp. 18 and 44-5.

- 44 -
dealing with each of the dominions. The United States was unwilling either to reduce substantially its import barriers or to supply capital on a large scale.[8] Britain's industrial competitors in Europe and Japan were pre-occupied with reconstruction. In the case of South Africa, Britain commanded a crucial position in relation to mineral and agricultural production - sources of wealth which were all-important in the political economy of the Union.[9] The mining industry needed external investment. Many farmers depended on overseas markets. Despite the strength of the British position, there was a strong reluctance in Whitehall (outside of the treasury) to risk upsetting political relations by attempting to drive too hard a financial bargain. A more subtle approach was required, one which entailed inducing the South African government to recognise that assisting Britain was in the Union's own best interest.

8. Canada was the exception with respect to capital.

9. The electoral weighting given to the rural vote meant that the agricultural export trade assumed disproportionate significance. Mineral exports were most important in terms of value.

The value of some of the Union's exports in £m, 1949.


<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value (£m)</th>
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<tr>
<td>gold</td>
<td>113.5</td>
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<tr>
<td>raw wool</td>
<td>35.1</td>
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<tr>
<td>diamonds</td>
<td>13.1</td>
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<tr>
<td>hides and skins</td>
<td>10.6</td>
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<tr>
<td>foods</td>
<td>18.1</td>
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<tr>
<td>others</td>
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<tr>
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Persuading the Smuts government to help Britain in shaking off some of the financial burdens with which she emerged from the war was an immediate concern at the end of hostilities. Jan Hofmeyr, the South African minister of finance, travelled to Britain in the autumn of 1945 for financial discussions. (When Keynes heard of this, he hoped that 'a vast assemblage of claims, complaints and every other inducement' would be presented to Hofmeyr whose handling of the Union's war finance had, in British eyes, been unimpressive).[10] The British treasury believed that in view of Britain's 'desperate exchange position', it was 'most important' that Hofmeyr should agree to sell £75m to the dollar pool in 1946. In his meeting with Hugh Dalton, the chancellor of the exchequer, Hofmeyr suggested instead a gold loan. The Bank of England disliked the idea of such a loan. 'Once we got on a gold for gold basis', warned Cobbold, 'we should find it difficult ever to return to getting gold against sterling.' The deputy governor of the Bank thought that if the negotiations for an American loan came to 'a sticky end' and it were a case of 'rallying the Empire together' then a large gold loan in addition to

10. Moggridge, Keynes, vol. XXIV, p.532. During the war, Lord Harlech, the British high commissioner, complained of Hofmeyr's 'increasingly narrow nationalism, his idolatry of gold standards, his bitterness at Smuts for letting us have some gold over and above repatriated debt'. Hofmeyr's ideas of war taxation were thought to be 'antediluvian' and 'thanks to him South Africa's contribution to the United Nations War Effort is derisory and discreditable'. The attempt to establish the best possible personal relations with Hofmeyr was given considerable attention by the Attlee government. There were discussions with many members of the British cabinet. Hofmeyr was made a privy councillor and was given a honourary degree at Oxford. DO 35/1220, 6 July 1943; A. Paton, Hofmeyr (Cape Town, 1964), p. 410; DO 35/1203.
arrangements for the sale of current production might be worth looking at. That stage had not yet been reached. In face-to-face meetings, Hofmeyr was eventually persuaded that some additional gold should be sold for sterling in 1945. Furthermore, £80m was tentatively accepted as a target figure for gold sales in 1946.[11]

By the beginning of January 1946, significant progress towards confirming the proposed sale of £80m of gold had yet to be made with Hofmeyr.[12] A general deterioration of Britain's exchange position led, at the same time, to calls in Whitehall for an approach to all sterling area governments setting out 'the reasons why we think a strong sterling area is necessary to all of us and the world; inviting our partners to co-operate, in the spirit of considering what they can contribute, not what they can get out of it; and offering the greatest degree of democratisation consistent with efficiency in the management of the sterling area.' Officials in Whitehall suspected that the British government was 'in for trouble about gold unless we can persuade South Africa (on the Smuts, not the

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12. The reasons for Hofmeyr's hesitations became known to the British government through the Bank of England's own collaborative links. Through Cobbold's personal connections with M.H. de Kock, the governor of the South African Reserve Bank, it was learned that the Union treasury did not wish to sell gold and thereby increase its sterling balances both because of the fear that the Americans might demand that sterling balances be 'written down' as part of the loan agreement and because there had recently been a heavy movement of capital from London which left the Union with extra sterling. T 236/1512, Cobbold to Waley, 5 March 1946.
The visit of the governor of the South African reserve bank to London provided an opportunity to deal directly, on a personal level, with a senior South African representative. British treasury officials advised Hugh Dalton, in what seems to be a most remarkable statement of the value of personal contact, that it would be of the 'greatest value' if the chancellor would consent to see M. H. de Kock. He was thought to have 'considerable influence in South Africa (where we need friends)' and to be 'particularly susceptible to the personal compliment which the Chancellor would pay by receiving him. It might be worth a great deal to us in hard cash!' The Bank of England had attached 'the greatest importance' to ensuring that South African gold was sold in London and not in New York or elsewhere. Sales in London would be 'a major factor in the policy of restoring sterling. We need to have their gold to keep the maximum independence of American influence, ... and of course it strengthens us vis-a-vis every quarter of the globe.' De Kock appears, in fact, to have been instrumental in South Africa's agreement to sell £80m of gold both in 1946 and in 1947.[14]

The Smuts government had not acted without regard to domestic political considerations. De Kock had wanted protection against the accusation that Britain was forcing the Union to do something which

did not suit it. To assist him in this regard, the British
government agreed that South Africa should have the freedom to ship
some gold directly to the United States in order to demonstrate that
the net return was slightly lower in New York as compared to London.
It was also accepted that the Union's sterling balances should not be
cancelled or formally blocked.[15]

That the Smuts government had, in the process of reaching an
agreement on gold sales, managed to secure all of the advantages of
sterling area membership while insuring itself against any potential
liabilities was evident from the dominions office warning that the
Union was being given preferential safeguards for South African
sterling balances to which Australia and New Zealand would strongly
object. The dominions office arguments were not accepted in the
treasury or the Bank of England. There it was felt that 'because the
South Africans won't listen to sense, are we expected to talk
nonsense to the New Zealanders?' 'If my butcher swindles me (and in
these times I have got to grin and bear it) am I to be expected to
allow my grocer, my Doctor and everybody else to swindle me also
because it would be unfair to give them different treatment?' The
dominions office was not convinced that pressure from Australia and
New Zealand could be resisted, especially if the South African
agreement were made public: 'If my butcher swindles me, I think it
common sense to keep that fact quiet.' Dalton accordingly told
Hofmeyr of the need to

15. T 236/1513, Cobbold to Rowe-Dutton, 15 April 1946.
avoid publicising this aspect of the agreement.[16]

During 1947, expectations that the existing gold sales arrangements would ensure that South Africa was a source of strength for Britain's and the sterling area's exchange position were seriously upset by unusually large movements of sterling capital. A large outflow of capital from Britain was worrying enough in itself; it was doubly so when the destination was South Africa. The Union's net contribution to the dollar pool was tied to the size of its sterling area deficit. Additional capital would allow this deficit to be covered with sterling rather than gold. To a certain extent, every pound sterling of capital lost to the Union meant a pound sterling of gold lost to the central reserves. By June 1947, A.T.K. Grant of the treasury was warning that 'we should surely take action in respect of South Africa forthwith'. Every day that Britain waited might 'be costing up to a million dollars'. The Union should, he thought, be put outside of the sterling area (thereby blocking the free flow of sterling capital to South Africa). Furthermore, the idea of an interest free loan of not less than £100m should be implanted in

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16. T 236/1513, Grant to Snelling, 30 May 1946.
South African minds.[17]

British progress towards such a loan proved difficult. The British record of the conversations with Holloway noted that he was not frightened by the figure of £100m. Dalton felt that 'nothing less would be much use'. The chancellor also recorded that Heaton Nicholls had hinted at 'a figure a bit larger'. The true picture was less rosy. The Bank of England seems to have undermined the British treasury's effort to convince Holloway of the situation's severity. 'My visit to the Bank', wrote Holloway, 'made it clear to me that the figures [on capital movements] were not reliable or alarming and that the Bank did not regard them with very serious concern'. This can have done nothing to increase the Union government's willingness to make a loan. Smuts was, for the moment, out of contact with his cabinet in Pretoria. Policy was in Hofmeyr's hands. The finance minister was prepared to consider a gold loan of £20m at 1/2%.

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17. DO 35/3518; N. Franklin, 'South Africa's balance of payments and the sterling area', p. 295; Clarke, Anglo-American economic collaboration, p. 183. T 236/2268, Rowe-Dutton to Eady, 26 June 1947. By the summer of 1947, Britain was in the midst of an exchange crisis. In accordance with the terms of the American loan, the British government had permitted sterling to be freely convertible into dollars. As sterling was exchanged for dollars, the sterling area's hard currency reserves dwindled rapidly. In their efforts to mobilise external support for the central reserves, British treasury officials turned to South African representatives who were in London. The possibility of a gold loan was first raised with Waterson, the minister for economic development, and Strauss, the minister for agriculture, who were in London aiming to secure improved access to the British market for South African agricultural products. Access to this market was recognised by British policy-makers to be one of their strongest cards in dealings with the Union government. British treasury officials, on the other hand, were concerned not to directly entangle the trade and gold negotiations. T 236/2268, note by Rowe-Dutton, 18 July 1947.
interest to be repaid at the end of 1952.[18]

Reluctance within the Union treasury to make a large loan was not confined to Hofmeyr. Holloway acknowledged that it would require:

a lot of political courage to make at one fell swoop a loan equal to what we have borrowed over half-a-century. If it makes a material contribution towards an orderly world it would have been worthwhile. If it is swept away in the process the action will be regarded as folly....[19]

The British treasury proposed to advance matters with a personal message from Dalton to Hofmeyr. The South African high commissioner advised that it was 'useless' to send such a message to Hofmeyr. It had to be from prime minister to prime minister. The passage of time had evidently done little to improve the collaborative relationship with Hofmeyr. During the war it had been found that only by working through Smuts could satisfactory financial arrangements be reached.[20] This appreciation of the situation was undoubtedly correct. Hofmeyr's attitude was that a £100m gold loan was 'out

18. Additional conditions would be that restrictions on the importation of fruit and other Union products would be withdrawn and that the gold-mining industry should have free access to the London capital market. T 236/2267, note by Eady, 21 July 1947; A 1/Dl 1/1, Holloway to Hofmeyr, 22 July 1947 and Hofmeyr to Holloway, [20] July 1947.


20. In 1943 special efforts were made to ensure that Smuts 'with his well known disinterestedness in finance' did not leave 'the whole thing to be negotiated with the Department of Finance on his return - a procedure which experience has shown will get us nowhere.' DO 35/1220.
of the question'.[21]

Within Whitehall, it was believed that Smuts's agreement to a £100m gold loan was being held back by Union financial authorities who insisted on a much smaller sum. This was only part of the story. The initial reaction of Smuts himself to Attlee's request for a £100m loan was that 'anything in excess of £60 million would be embarrassing to Union Government and difficult to justify here.'[22] Heaton Nicholls seems to have been most strongly in favour of a loan. He advised his government that it might 'be of considerable political value to us to have lent support to the British Government, whatever its complexion in the present hour of need, since without British support in the U.N.O. we should indeed be in a very perilous position'. Hofmeyr, it was true, was not impressed by the British government's handling of the situation, nor by the fact that the crisis had been made the occasion for acute party controversy.[23]

He believed, however, that Smuts regarded

it as essential that there should be a change of

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22. Smuts and Hofmeyr wished to ascertain whether it was clear that nothing in the Anglo-American loan agreement would prevent a bulk purchase of South African fruit and other commodities on a government to government basis. If this were clear, 'a major obstacle to the granting of a loan will be removed, and during the Parliamentary debate General Smuts will be able to maintain that a definite benefit has been obtained for the South African farmer.' DO 35/3518, Attlee to Smuts, 2 Aug. 1947; A 1/DI 1/1, draft telegram to Heaton Nicholls, [3] Aug. 1947.

Government in England if the crisis is to be surmounted. He has even been toying with the idea of allowing a crash to come in anticipation that such a change should emerge from it - but he agreed that (as he put it) that patient care might yet kill the patient.[24]

By mid-August some of the urgency attached to securing a loan had dissipated when convertibility of sterling was halted. In Whitehall, the treasury decided 'to play the South African loan slowly.' Sir Wilfred Eady wrote that what 'I had tried to secure has failed - the spontaneous gesture of £80 million at the right moment. This amount now might be construed as our scrabbling together anything we can get.'[25]

The large outflow of capital to the Union remained a source of concern. Officials in the British treasury could 'see no alternative but to put South Africa out of the sterling area.'[26] Lord Catto, the governor of the Bank of England, questioned whether the evidence called for

such a far-reaching corrective when South African controls had been effectively and loyal maintained largely in our own interest. I should regard the exclusion of South Africa from the sterling area as an act of self-mutilation on our part and I feel sure they would regard such action as inflicting unnecessary damage to the South African economy.[27]

British capital should, Lord Catto thought, continue to participate

in South African development. 'Our paramount interest in the gold mining industry must be protected'. The Bank of England view was that action should be taken on South Africa's unrestricted import programme.[28]

Attlee informed Smuts that 'urgent discussions' about the general financial relationship between the two countries were required. At stake was Britain's ability to supply capital to and purchase goods from the Union. The inter-departmental view in Whitehall was that 'we should make it clear that an offer of credit or a gold loan by South Africa would not by itself be sufficient inducement to us to take their supplies. They must meet us on prices.' (The British ministry of food later conceded that 'we must must take what fresh fruit they can offer 'since that is a major consideration in the whole business'.) The meeting also agreed that 'we should not relax the pressure on the South Africans for a continuation of gold sales. This was more important to us than a gold loan....'[My emphasis].[29]

The outcome of discussions held in London with Holloway and De Kock was a draft agreement in which the Union undertook to loan £80m of gold at 1/2% interest repayable in three years. In return the British government undertook to purchase certain agricultural commodities from the Union and not to restrict the legitimate flow of commodities from the Union and not to restrict the legitimate flow of commodities from the Union and not to restrict the legitimate flow of

capital. It was intended, furthermore, that the Union would no longer draw on the sterling area dollar pool.[30]

In failing to secure a continuation of gold sales - which would, in the long run, have been of greater value to Britain than a loan - British negotiators were apparently impressed by South African fears of National Party criticism. After De Kock returned from London he told the British high commissioner that 'whatever might be said from the Opposition benches or written in the Nationalist newspapers most of them were reconciled to the Agreement.' They would, however, have opposed any arrangement which included both a loan and an undertaking to sell a minimum quantity of the current gold output. The British government's ability to use the power which it derived from control over markets and capital movements was limited by the need to avoid undermining the position of the most sympathetic South African leader that could be hoped for. In Whitehall the CRO emphasised that 'nothing should be done on the U.K. side which would embarrass Field Marshal Smuts' government in handling this matter in the Union Parliament.' A general election was in the offing. Anything which committed the Union to the support of sterling was 'politically dangerous'.[31]

The British government was pleased that a relatively large sum of


gold had been offered and that a higher rate of interest had not been insisted upon. British satisfaction was, to a certain extent, short-lived.[32] The continued absence of effective control over capital movements proved to be disastrous from the British perspective. Beyond the amount of the loan, no additional gold accrued to the sterling area's central reserves. The inflow of capital provided the Union with more than enough sterling to cover her sterling area trade deficit. The British treasury took the lead in calling for changes to the loan agreement. The CRO and the Bank of England questioned whether 'this is the moment to try and chisel the Agreement when we have just borrowed £80 million gold and need a most receptive atmosphere before long for more fundamental changes in our arrangements with South Africa'.[33]

The scope for the expansion of South African influence in Africa was

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32. A problem arose in connection with the Union's trade with continental Europe. Part of the loan agreement had been interpreted in a way which allowed the Union to cover its trade deficit with European countries with sterling. Europeans converted this into gold at Britain's expense. A further difficulty arose because the French and the Italians were buying South African goods for sterling and selling them for dollars. DO 35/3518.

33. DO 35/3518.
directly affected by Britain's financial difficulties.[34] Heaton
Nicholls reacted aggressively in mid-1947 to what he perceived to be
a British policy of restricting imports from and exports to South
Africa. Threatened was his vision of African development which he
laid out for the benefit of Lord Addison, the secretary of state for
Commonwealth relations. The 'economic flywheel' of all southern
Africa was, Heaton Nicholls explained, the Union. Neither Australia
nor New Zealand had the reserves of population to draw upon or the
resources of South Africa to exploit. Canada was an 'annexe' of the
United States. The Union's development

must inevitably be linked up with all the British
territories of southern Africa, together with Portugese
East Africa and Angola and the Belgian Congo, where
railways are linked with those of the Union and the Bantu
inhabitants are all kith and kin to one another. This
huge pulsating area is directly or indirectly under the
influence of the Union, which, in turn, is most desirous
of maintaining the closest economic relations with the
United Kingdom.[35]

34. The Union government displayed considerable alarm when African
territories under British financial control were directed to build up
their financial assets by restricting imports. Kenya, Uganda,
Zanzibar and the Gold Coast imposed restrictions which amounted to a
virtual embargo of all Union products. The total amount of trade
involved was not great, but the Union government was placed in a
'very difficult position vis-a-vis their own industrialists'. The
real problem was the Anglo-American loan agreement which did not
permit Britain to treat South Africa differently from the United
States. The Smuts government proposed that if import restrictions
were lifted, the Union would undertake not to draw on any sterling
balances which accrued to it. The British treasury had little
sympathy for the Union which had been treated no worse than any other
dominion. 'She cannot', complained a British official, 'claim to
have the advantages of a "hard" currency when it comes to getting the
pick of British exports and at the same time demand preferential
access to colonial markets'. A 78/4, external affairs policy review,
Jan. 1948 and April 1948; T 236/2272, note by Grant, 2 April 1948.

35. T 236/2268, Heaton Nicholls to Addison, 12 July 1947.
It was, the Union high commissioner thought, for the British government 'to realise the immense opportunity which today exists'. He hoped that Addison would recognise that all Heaton Nicholls desired was to be helpful to Britain in its economic difficulties and 'to aid its resurgence as a great power'.[36]

That any extension of South African influence in Africa should be resisted was a belief strongly held in some British governmental circles. It did not yet hold sway at the ministerial level. Officials in the colonial office and the CRO feared that the spread of South African conceptions of race relations would have disastrous consequences. Some ministers in the Attlee government were not convinced that all forms of South African involvement in Africa were undesirable. In March 1948, Sir Stafford Cripps wanted the treasury to explore the suggestion that South Africa should make a gold subscription to colonial development. The chancellor of the exchequer preferred this to seeking a United States dollar loan. Treasury officials thought that the Union was not strong enough financially to make such a loan at that time. In future, however, an opportunity might come for 'dressing up a further borrowing of gold by us as a loan by South Africa for Colonial development'.[37]

South African expansionist aims were facilitated by the Union's continued membership of the sterling area. If the Union had been

36. T 236/2268.

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South African expansionist aims were facilitated by the Union's continued membership of the sterling area. If the Union had been

36. T 236/2268.
outside of the area, efforts to advance economic integration would have faced major obstacles in the shape of exchange controls and restrictions on capital movements. As it was, there were no such obstacles for the customs union with Southern Rhodesia. Economic union with Southern Rhodesia was regarded as a major step towards South African economic dominance of the region. Sidney Waterson, the South African minister for economic development who organised the customs union conference, told British officials that he attached great importance to the proposed 'Customs Commission'. This, he hoped, would develop into something more than a body concerned with customs administration and would 'act as a unifying factor of southern Africa'. [38]

The Union government's unwillingness to restrain the Union's hard currency expenditure meant that in 1947 and 1948 South Africa (despite its vast gold reserves) contributed little to alleviating the

38. T 236/3282, note by R.R.S., 21 Dec. 1946. The British government was not well placed to influence such developments. It had no direct control over Southern Rhodesia's economic policy. The planned customs union would make it difficult for other African territories to resist South African dominance. The governor of Northern Rhodesia thought that the close trade relationship between the Rhodesias and South Africa made it 'impractical for Northern Rhodesia to maintain import control markedly at variance with that of Southern Rhodesia'. The customs union would thus inevitably draw the two Rhodesias into the Union's orbit. In July 1947 the British treasury was pondering how it could discourage hard currency imports to the Rhodesias by means other than persuading the Union government to adopt such controls itself. The upshot was that South African co-operation was indispensable if the external financial affairs of British territories in Africa were to be managed efficiently. T 236/497.
sterling area's chronic shortage of hard currency. In fact, South
Africa's lavish import policy made this shortage worse in 1947.
Before the war, in the course of normal trade, the Union contributed
roughly $160m of gold to the central reserves in London. The net
collection in 1946 was $82m. The Union was responsible for net
drawings of $94m in 1947. In 1948 its net contribution (excluding the
gold loan for which repayment could be reclaimed in gold or dollars)
was $12m. From the British perspective this was a most disappointing
return for the British efforts both during and after the war to
channel scarce resources into maintaining gold production at a high
level.[39] The existence of a favourable British balance of trade
with the Union (which Ovendale noted) was not in itself an indication
that the relationship was an advantageous one for Britain or that the
Union was contributing anything to the resolution of Britain's chief
post-war financial difficulty - that of finding sufficient gold and
dollars. The £1m gift to Britain and the gold loan did not mean that
the Union was being its most helpful in 1947. On the contrary, 1947
was the year when Union policies had their most damaging effects. As
had been the case during the war, the British government preferred
not to damage sterling's prestige by publicising weakness or sources
of it. The gold loan and gift to Britain were in some ways only
window dressing. The reality was very different. South Africa had
been on a buying spree which made Britain's acquisition of even

39. DO 35/2627. K. Wright, 'Dollar pooling in the sterling area,
1939-52', American Economic Review, XLIV (1954), pp. 559-576; A
1/160, Cranborne to Heaton Nicholls, 15 Feb. 1945.
essential requirements more difficult.[40] The Smuts government had managed to obtain the best of both the hard and soft currency worlds for the Union. On the one hand, Smuts was able to persuade the British government to give priority to exports bound for South Africa with the argument that these would, in effect, be paid for (at least in part) with gold - thus making the Union a hard currency country. On the other hand, Smuts's presence increased Britain's reluctance to restrict capital movements to the Union or limit South African drawings from the dollar pool. Pushing South Africa out of the sterling area would, it was thought, 'be just what General Smuts's political adversaries were waiting for.'[41]

Even under Smuts's leadership, the South African government was not inclined to make financial sacrifices purely out of affection for the Commonwealth. If alternative markets or sources of capital had been available, South Africa would undoubtedly have taken advantage of them with the result that the Union government would have been far less susceptible to British pressure for financial assistance. As it was, external markets and sources of capital were perhaps as scarce in the late 1940s as they had ever been. It was the need to safeguard South Africa's own interests, in conjunction with the Commonwealth sympathies of Smuts and some other senior South African policy-makers, which led the Union government to enter into gold

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sales agreements and to make the £80m gold loan. The unpredictability of international capital movements meant that Anglo-South African financial relations were far from satisfactory at the time of Smuts's defeat. The British government had no intention of allowing them to remain so. With the power afforded by Britain's relative monopoly as a market and as a supplier, the British government could, in the right circumstances, drive a hard financial bargain with any member of the Commonwealth. The danger was that a political backlash might be provoked to the detriment of stable Commonwealth relations. The question facing the British government at the end of May 1948 was: would the new Nationalist leadership balk at a financial bargain satisfactory to Britain or would it be willing to concede that close financial collaboration with Britain really was necessary?
Chapter 1, part 3

Defence relations, 1945–1948
In 1945, South Africa and the other old dominions were anxious to return to the pre-war pattern in which the dominions accepted virtually no defence commitments and international security was left in the hands of the great powers. In the circumstances of the 1940s such an arrangement placed an intolerable strain on Britain. She had neither the financial nor the manpower resources to cope with world-wide defence commitments. Unsurprisingly, the British Chiefs of Staff and the Attlee government hoped that the dominions, which had contributed so much to the allied war effort, could be induced to lighten Britain's burden. With Mackenzie King, Smuts was in good company in refusing to accept peacetime defence commitments as well as in regarding anything vaguely resembling a centralised imperial defence scheme as politically out of the question. The absence of a material South African contribution to imperial defence did not, however, prevent Smuts from expecting the British government to heed his advice, particularly with respect to the disposal of the former Italian colonies in Africa.

In considering the future of the former Italian colonies, the Attlee government had to come to terms with some of the much larger questions of imperial defence and the role of the rest of the empire-Commonwealth in the formulation and implementation of defence policy. Lying as they did along the shortest route from Britain to the Middle East, India and Australasia, the fate of Tripolitania, Cyrenaica, and Somaliland had a direct bearing on the strategic viability of what some regarded as a line of communication vital to
the defence of the empire—Commonwealth as a whole. This and the fact that the former Italian colonies had, for the most part, been conquered by Commonwealth forces meant that the views of the dominions could not easily be disregarded.

Attlee himself heroically challenged the long-cherished tenets of imperial defence by arguing that in the age of air-power and atomic weapons the Mediterranean route could not be defended. Reliance should instead be placed on working around the Cape of Good Hope. The Chiefs of Staff and the foreign secretary Ernest Bevin steadfastly refused to accept this analysis. For two years, in various contexts, they battled with Attlee on this issue.[1]

Smuts devoted considerable attention to the fate of the Italian colonies. Assisting in their capture was a major accomplishment of the South African armed forces. He suggested that 'to ease the immigration aspect of the Palestine mandate, Cyrenaica might be used for Jewish immigration.' Failing this, Tripolitania and Cyrenaica (which together comprise Libya) should be given to Italy as trust territories. Eritrea should, he thought, be given as a trust

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territory to Abyssinia[2], 'but only on the condition that the U.S.A. accepts Massawah ... as a security base'. It was, the British government was told, 'to our mutual interest to associate the U.S.A. with the British Commonwealth in this all-important line of communication'. Smuts thought it would be 'very risky and undesirable' to place the Soviet Union 'anywhere and in any way' on the 'Mediterranean-Egyptian-Red Sea line of our communications'. The Americans should be made to see that this might lead to 'Russian domination of European and world policy.'[3]

Bevin and the Chiefs of Staff (CoS) seem to have been happy to give attention to dominion views when those views were of assistance in countering Attlee's strategic reappraisal. In September 1945, after cabinet heard a challenge from Attlee, Bevin proposed that opinions of the dominions and Indian governments should be heard.[4] In order to defeat Attlee's argument that responsibility for the Italian colonies 'involve us in immediate loss' with 'no prospect of their paying for themselves', Bevin put forward a plan for drawing directly on the resources of the empire-Commonwealth. In contrast to some other ministers, Bevin would continue to favour finding a role for the Union in African defence. He suggested trusteeship exercised jointly by members of Commonwealth but administered by a single one of them - 'perhaps South Africa or the Government of India'. In this

2. Together these form modern Ethiopia.
4. CAB 128/1, CM27(45)1, 3 Sept. 1945.
way 'the financial responsibility and the manpower burden would be spread amongst the interested members of the Commonwealth.'[5]

According to the dominions office, the idea was 'superficially attractive' but on examination seemed liable to 'such formidable difficulties as to be impracticable'. The objections were several. The idea of the Commonwealth acting as a unit was 'repugnant to the bulk of Dominion governmental opinion'. Canada, Australia, and New Zealand were unlikely to take on colonial responsibilities or spend money if they had no control. To ask the Union to administer Somalia would be anomalous while South African claims to the High Commission Territories were being resisted. (British resistance to transferring the Territories sprang largely from 'the South African attitude to the native as a low order of humanity which needs to be kept permanently down, a totally different conception from that of enlightened British colonial administration.') There would, moreover, be much opposition in Britain, India, and British colonies in Africa if responsibility for Somalia were entrusted to the Union.[6]

Within a few days, Bevin's plan was abandoned as Russian demands at the council of foreign ministers led the British cabinet to agree that American proposals for United Nations trusteeship should be

5. CAB 129/1, CP(45)144; DO 35/1918.
7. CAB 128/1, CM32(45).
supported. This change in British policy made Smuts's insistence on a hard line less welcome to Bevin. Smuts was sharply critical of the American plan. The foreign secretary had to argue that 'for all its difficulties and complications it was probably the best - or indeed the only - way of resisting a direct Russian foothold in Africa and avoiding an open row between the Great Powers over the carving up of the Italian colonies'. At this time Smuts was unable to draw support from the other dominions. The New Zealand prime minister regarded the decision to support the American proposal as 'sound and far-sighted'. The Australian government opposed the return of any colonies to Italy and favoured trusteeship in principle. The Canadian government favoured careful study of the American plan.

Undeterred, Smuts continued to oppose any arrangement which left the United Nations in control. He wanted to play for time. Heaton Nicholls was told that a 'strong appeal' should be made to the British and American governments to reconsider their policies. In an effort to strengthen the South African hand, the Union high commissioner asked for a meeting of dominion representatives who were in London in February 1946. This was inconclusive. Fraser, the New Zealand prime minister, was the only representative who could speak with any authority. He favoured trusteeship by Italy or by the Trusteeship Council of the United Nations. Changing tack, the Union

9. DO 35/1921, 9 Nov. 1945.
government argued that no conclusions should be reached until there had been full consultation with the dominions. The dominions office accepted that this was necessary 'in the interests of Commonwealth solidarity'. Addison told Bevin that it really was 'most important not to antagonise Smuts in this matter'. Against the wishes of his own department Bevin agreed.[10]

The former Italian colonies were discussed by Commonwealth representatives on the day that Smuts arrived in London. William Roger Louis's assessment of Bevin's attitude at this meeting seems open to doubt. Louis has written that 'Bevin implicitly supported Smuts but attempted to give the impression of having an open mind.'[11] Bevin and Smuts were agreed on the importance of the Mediterranean line of communication but this was not the central question which the meeting was asked to address. The crucial issue was the attitude to be taken at the council of foreign ministers. On this, the views of Smuts and Bevin diverged. Bevin's own memorandum, which was presented to the prime ministers, stated that even if it were possible to dispose of the Italian colonies in opposition to the United States, it would be 'most undesirable from every point of view that we should attempt to do so.' In order to secure American support it was 'essential not to go back on the decision in September to accept the United States plan in principle'. This meant that some

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form of collective trusteeship was required. The memorandum also set
out the serious disadvantages of delay. Smuts himself continued to
urge delay at the meeting. He stated bluntly that he was 'opposed to
the United States proposal for collective trusteeship'.[12]

The other dominions provided Smuts with little assistance. Chifley
and Evatt emphasised that the Australian government was not in favour
of delaying a decision. They did not favour the return of any
colonies to Italy (as Smuts did). Nash of New Zealand and the
Australian representatives did express some doubts about the
effectiveness of collective trusteeship. They suggested that the
Commonwealth could act as trustee or share the cost if taken by one
member. (There was no British encouragement for this suggestion
which Bevin had put forward eight months previously.) Smuts's
central contention, that schemes involving the United Nations were so
dangerous that it was worth enduring the disadvantages of delay, was
not accepted by other Commonwealth representatives.[13]

meeting, 28 April 1946.

107. It is difficult to imagine Bevin doing other than giving the
impression of having an open mind at the prime ministers' meeting
when the British government wanted the dominions to believe that
their views were not irrelevant. What seems clear from events
preceding the meeting is that the British government had already
decided against delay and in favour of some form of collective
trusteeship. The desire to avoid offending the dominions without
actually altering British policy to meet dominion wishes was evident
in July 1946. In cabinet it was suggested that 'in view of the
attitude which some of the Dominion Governments were likely to take'
it would have been preferable for one of the other foreign ministers
to put forward Bevin's proposal to refer the disposal of the colonies
to the General Assembly. CAB 128/6, CM63(46)2.
Alanbrooke's comments on Smuts's attitude towards the Attlee government's Egyptian policy may have applied equally well to the Union prime minister's approach to the Italian colonies. On the same day that the Italian colonies were discussed, Alanbrooke - the Chief of the Imperial General Staff (CIGS) - supported Bevin against Smuts. The CIGS wrote that 'Smuts does not agree that we should clear out. On the whole he is inclined to take rather a die hard attitude, prepared to run all the risks but not to provide the resources to meet the risks.'[14]

Whatever differences existed between Attlee and other British policy-makers on strategic policy, all were agreed that other members of the Commonwealth must accept reasonable defence burdens. It was with some disbelief and considerable disappointment that the unhelpful and procrastinating post-war attitudes of the dominions (and especially those of the Canadian and Union governments) were received.

For some British policy-makers (including a number of senior ministers) enlarged dominion defence commitments were but one aspect of a larger imperial vision. Bevin for one had, in 1944, asked 'whether the British Empire should not endeavour to become one Defence Unit, even if Canada does not join in.' He felt that the 'only way to get real unity is on the basis of defence and

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self-preservation, and then to let other things, such as trade, finance and constitutional development flow from that'. He approved of the idea of 'zoning the British Empire' into defence areas. South Africa would form the nucleus of an area stretching 'as far north as Kenya or thereabouts'. South Africa could be brought to play a big part in the trade and communications of the Commonwealth. 'If she is left where she is the old controversy of Boer versus Briton will continue, but it might well be forgotten if the area of responsibility for defence is wider for then this problem becomes smaller.' The hope that Afrikaner nationalism would lose its antagonistic character if Britain handed over a sufficiently large portion of its imperial responsibilities in Africa - a hope that accompanied the formation of the Union of South Africa - evidently retained its attractions for Bevin.[15]

While Smuts was happy to proclaim the desirability of building up the Commonwealth as a third force in the world, he was in practice no more willing than Mackenzie King to accept the peacetime defence commitments or the tighter Commonwealth structure necessary to give meaning to his words.[16] Smuts's self-contradictory approach led both opponents and advocates of such a structure to classify Smuts as an ally. In 1944, Bevin placed himself with Smuts and Halifax as one who was anxious to ensure that the Commonwealth should 'by acting as


much as possible as a unit' retain 'its position as a leading
power'.[17] The Canadian prime minister recorded in June 1945 that
Smuts had said: 'King, the thing we must watch is this tendency
amongst the Civil Service in London to try and bring about machinery
for keeping the Empire together.' Mackenzie King thought that the
points stressed by Smuts were 'quite the opposite to what I felt his
views were in previous conferences'.[18] At San Francisco, Smuts had
felt it necessary to tell Halifax (who had begun to speak of the
'exhibition the Empire was making in the presence of the Americans')
that it had been 'a fine demonstration of the absurdity of talking
about the Empire having one voice'. Little more than a month later,
Smuts noted that much would depend on 'Britain and the Commonwealth
pulling their weight' in European and Far Eastern peace
settlements.[19]

Pulling its own weight in defence was precisely what the Union was
not doing in 1945. The extent to which the sterling area dominions
were 'slipping out of financial responsibility' and 'building up war
profits' at Britain's expense was noted in a cabinet memorandum in
May 1945. At that stage it was felt that 'whilst Canada is doing her

17. DO 35/1744, DPM(44)2nd meeting, 29 Feb. 1944.
18. Evatt, the Australian minister for external affairs, felt that
Smuts, who had 'trimmed in so many different directions', had been a
'great disappointment' at the 1945 Commonwealth meeting. J.
Pickersgill and D. Forster (eds), The Mackenzie King record, 1944-45,
papers (microfilm), Cambridge University library, SP 77/181, 31 July
1945.

- 73 -
full duty, the Southern Dominions are scarcely doing a thing'. Keynes wrote that the chancellor of the exchequer 'rightly concludes that this small country is carrying a burden of Imperial Defence which she cannot continue to carry by herself.'[20] That every part of the empire/Commonwealth should make sacrifices comparable to those made by Britain herself was a line persistently advocated by the treasury but not one that was universally accepted in Whitehall. The prevailing view was the one expressed by the old visionary Leo Amery. He wrote that 'we must remember that in our Empire we have never asked for more help than ... each part of it was prepared to give.'[21]

Attlee, who was well aware of dominion sensitivities regarding their sovereign status, found their headlong rush to demobilise difficult to accept. 'As far as I can see', he wrote in a personal minute to the CoS, 'we are to expect little or no assistance from the Dominions in meeting our many commitments.' With respect to the Union, the CoS replied that the withdrawal of all South African forces had already been agreed. They could not recommend any further approach to get the Union to meet external military commitments. To do so would cause domestic political difficulties for Smuts. In January 1946, Australia and New Zealand were making some contribution to the occupation of Japan. Canada and South Africa 'would shortly be contributing nothing at all'. Attlee thought this was a situation

that 'we could not possibly accept'. He proposed to take up the matter personally with the dominion governments.[22]

Attlee's personal appeals to the dominion ministers who were in London for the first session of the General Assembly seem to have had little or no positive result. The meeting of Commonwealth prime ministers provided the opportunity for another approach. The CoS had an imperial defence scheme for which they sought dominion approval.[23] Despite the careful attention paid to the question of sovereignty, neither Smuts nor Mackenzie King was prepared to accept the proposal.[24] A central feature of the scheme was the establishment of ongoing high-level personal contacts among Commonwealth service staff. Such a collaborative network would undoubtedly have reduced the isolationist tendencies of dominion governments, making them more amenable to the acceptance of external defence commitments. It seems unlikely, however, that either Smuts

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23. It was based on zones of interest - each centred around a Commonwealth country and controlled by that country's own inter-service chiefs of staff committee. Special attention was given to the machinery for consultation and co-operation. Britain would maintain staff missions in Commonwealth capitals. The dominions would establish their own in London. In discussions with the prime ministers, the CIGS emphasised that the scheme was based on the principle of the combined chiefs of staff in Washington - the British members of which made recommendations to the British cabinet. By stressing the parallel of collaboration between Britain and the United States, Alanbrooke argued that no encroachment of dominion sovereignty was intended. DO 35/1668; RG 2, B2, vol. 75, file D-19-15.

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Smuts's contradictory attitude was evident at the prime ministers' meeting. At one stage he said that 'the objective of every member of the Commonwealth must be the support of our group of nations as a great Power'. Then, in response to Mackenzie King's reassertion of the undesirability of any centralised defence arrangements, Smuts said that he 'was not for tighter organisation'. Similarly, Smuts acknowledged that the burden being carried by Britain 'was well nigh intolerable'. On the other hand, he was unable, either then or in the remainder of his time in office, to offer any material relief.[25]

Attlee continued to press, without success, for a more forthcoming dominion attitude on defence.[26] He sent a telegram in November 1946 (apparently against the wishes of the dominions office) telling the dominion leaders that 'it seemed clear' from the prime ministers' conference

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25. A 1/92, PMM(46), 18th meeting, 22 May 1946.

26. Statistics prepared by the dominions office revealed that Attlee had good reason for his dissatisfaction with dominion defence efforts - particularly those of Canada and South Africa. The Union's defence expenditure for 1946-47 had fallen to 18% of its 1944-45 level. For the other dominions the comparable figures were: Canada - 15%; New Zealand - 37%; and Australia - 46%. Defence expenditure in 1946-47 on a per capita basis was: Britain - £38, Australia - £31, New Zealand - £25, Canada - £14, and South Africa - £1.8. DO 35/1207.
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that you were much impressed by the burden that this country is bearing in the field of defence, and you agreed to consult your Ministers and technical advisers as to how you could help. We await your views on this with the utmost interest.[27]

Neither had there been any South African or Canadian response to the proposals for improved machinery for defence collaboration.[28] When Smuts was told in January 1948 of the new liaison arrangements established between Australia and Britain, he said that his government preferred to abide by the existing set-up.[29]

By late 1947, the need to bolster European security had become the focus of British external policy. In January 1948, Attlee told the dominion prime ministers of the need to stem further encroachment of the 'Soviet tide' by organising the 'ethical and spiritual forces of Western Europe backed by the power and resources of the Commonwealth and the Americas.'[30] Smuts, while noting that his government was in general agreement with the British government's reading of the dangerous situation confronting western Europe, was careful to 'reserve any question of material support'. Thus it was that this important message (which led the Canadian government into discussions

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- 77 -
on a north Atlantic security pact) was given a non-committal reply by Smuts.[31]

Smuts was always ready to lend advice on the great issues of international politics. When it actually came to making a material contribution to the protection of the interests over which he displayed so much concern, he was no more forthcoming than Mackenzie King. In the absence of such a contribution, his influence in the formulation of British policy (even if he was the elder statesman of the Commonwealth) cannot have been particularly significant. He certainly should not be listed, as Louis has done, as one of the figures 'who shaped imperial strategy in the highest councils of the Empire and Commonwealth.'[32] Smuts's strategic outlook undoubtedly coincided to a large degree with that of both Bevin and the Chiefs of Staff. That the strategic debate within the British government would have progressed differently or British foreign policy have taken another course if Smuts had not been in power seems unlikely. The South African prime minister could not have been more strongly opposed to British policy regarding the Italian colonies or Egypt. The need to satisfy Smuts was not a determining factor in the formulation of British policy on these issues. Had the other dominion leaders aligned themselves behind Smuts, or if the Union had

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32. Louis, British empire in the middle east, p. 268.
been making a military contribution of any size, his views might have held more sway. As it was, British imperial policy was determined by the larger issues at stake: the financial and manpower burdens involved; the concern to forestall nationalist protest; the need for American support; and the reluctance to antagonise opinion in the United States, the United Nations, or the world at large.
Chapter 1, part 4

Atomic relations, 1945–1948
Uranium was the focus of attention in South Africa's atomic relations with Britain and the Commonwealth between 1945 and 1948. At the war's end, the Attlee government was gravely concerned at the strategic vulnerability of Britain in the nuclear age. Until an effective means of relieving this vulnerability was found, it intended to maintain vigorously the Anglo-American atomic partnership. Access to raw materials was one of the few bargaining counters at Britain's disposal if the United States government proved reluctant to continue the war-time pattern of atomic collaboration. The discovery of large reserves of uranium on the Rand (made just as the Pacific war was brought to an end by the release of two atomic bombs) was almost immediately recognised by British ministers and officials as having special significance for Anglo-American atomic relations. In negotiations with the Americans, this uranium could have tremendous strategic value for Britain before it had even been extracted from the gold ore in which it was found. The Commonwealth connection with South Africa strongly shaped (in a not altogether realistic way) British as well as American expectations about how the Union government would dispose of this new resource. Despite Smuts's initially cautious attitude (something which came as a rude shock in Whitehall), the British government found that progress could be made towards securing advantage from South African uranium by appealing to the Union prime minister's Commonwealth instincts. Ensuring that Britain was not left behind as a second-class, non-nuclear power was
a cause to which Smuts was apparently willing to rally.[1]

Reports in the summer of 1945 that South Africa might possess some of the world's largest uranium deposits were welcomed in London where there were high hopes that the resources of the empire-Commonwealth would continue to strengthen Britain in the nuclear age.[2] Within the restricted circle of politicians and officials responsible for Britain's atomic energy policy, it seems to have been widely assumed that, because the British government was acting to protect the strategic position of the heart of the empire, the Union government would naturally make its uranium resources available to Britain, particularly when Smuts, the great champion of the Commonwealth system, was in place as prime minister. This assumption was strengthened by the war-time agreements which recognised the empire-Commonwealth (excluding Canada) as being a British responsibility. The Union was not considered to be an area where Britain and the United States were committed to joint control of uranium and thorium resources through the agency of the Combined Development Trust (CDT). A suggestion from the British ambassador in

1. Some of the Public Record Office documents referred to in the text were examined in London and others at the Seeley Historical Library in Cambridge where there is a collection of documents compiled by Dr Ian Clarke for the undergraduate history paper entitled 'British nuclear strategy and Anglo-American relations, 1939-64'.

2. A British report estimated South African and Swedish reserves to be more than double the known reserves of the Belgian Congo, which at that time was far and away the largest producer, and to be more than ten times the known reserves of Canada, which had been the only other source of uranium available to the Western allies during the war. CAB 82/26, Report by the director of Tube Alloys, Wallance Akers, 31 August 1945.
Washington that a spirit of co-operation should be shown by immediately bringing South African uranium under joint Anglo-American control drew the response from Whitehall that 'although we do not at all exclude the possibility of an ultimate tripartite arrangement, this is much too valuable a card for the British Commonwealth to throw away'.[3]

The disposal of Commonwealth uranium resources was one of the issues raised during high-level atomic discussions held in Washington during November 1946. President Truman and prime ministers Attlee and Mackenzie King dealt with the question of international control. A settlement on technical collaboration and raw materials allocation was left largely in the hands of a few British and American ministers and officials. Speaking for the American government, General Groves stated that 'the quid pro quo' for any new agreement 'would have to be an undertaking whereby the U.K. would bring all uranium and thorium situated in the British Commonwealth under the control of the CDT for allocation in accordance with demonstrated demand.'

3. This was the view of Sir John Anderson and Dennis Rickett who responded to Lord Halifax. Anderson was the chairman of the British Advisory Committee on Atomic Energy (ACAE). During the war, Anderson had been the minister responsible for atomic energy in the Churchill government. After the war, as an independent member of parliament, his services were retained by the Attlee government although he was not in the cabinet. Rickett was the secretary of this committee as well as of the GEN 75 cabinet committee on atomic energy. M. Gowing, Independence and deterrence. Britain and atomic energy, 1945-1952, vol. I, policy making (London, 1974), pp. 352-3, 355 (hereafter cited as Gowing); CAB 134/6, Advisory Committee on Atomic Energy (ACAE), 27 Sept 1945; DO 35/2051, Rickett to Anderson, 17 Oct. 1945; FO 800/557, Halifax to the foreign office, 18 Oct. 1945; Foreign Relations of the United States, 1945, vol. II, pp. 44-45; (hereafter cited as FRUS).
American demands on raw materials were accepted by the British side, which hoped that it had gained in return a commitment to collaborate in the exchange of information. The United States government had apparently been willing to concede that the Commonwealth was indeed a British responsibility (based perhaps on their own misconceptions regarding the nature of Britain's ties with the dominions).[4]

Policy-makers in London misjudged completely how Smuts would respond to a request to procure South African uranium.[5] The Union prime

4. FRUS, 1945, vol. II, p. 64-6; A. Bullock, The life and time of Ernest Bevin, vol. III, Ernest Bevin: foreign secretary (London, 1983), p. 195; The conclusions of the talks were embodied in the 'Groves-Anderson' memorandum. Unfortunately for the British side, the memorandum drew a distinction between 'basic scientific research' and information regarding the development, design, construction, and operations of plants. This distinction later proved to be decisive since the Americans did not feel obliged to share the latter type of information.

5. In looking for an explanation for the apparently poor understanding of relations with the dominions, it is difficult not to notice the absence of dominions office representation on the major decision making bodies - the GEN 75 cabinet committee and the Advisory Committee on Atomic Energy (ACAE) chaired by Anderson. (The more important atomic policy matters were discussed by the GEN 75 committee, rather than by cabinet as a whole.) The dominions office was not represented at all on the ACAE until its third meeting, and the committee's chairman, judging by his performance during the war, did not know how to conduct relations with the dominions. (Gowing has commented on the unfortunate effect in Canada of Anderson's 'high-handed proconsular attitude'.) Lord Addison, the secretary of state for dominion affairs, did not always attend the GEN 75 meetings. His first appearance seems to have been at the seventh meeting in November 1945. After the war Anderson's prominence, in conjunction with a lack of dominions office influence, at times seems to have produced unfortunate results not only in relations with Canada, but also with South Africa. CAB 134/6, See the minutes of the ACAE (45) 3rd meeting, 27 Sept 1945, and ACAE (45) 9th meeting, 9 Dec. 1945; CAB 130/2, GEN 75, 8th meeting, 18 December 1945; PREM 8/116, GEN 75, 9th meeting, 19 December 1945; Gowing, pp. 21, 131-2 and 137.

- 83 -
minister's hesitations in December 1945 to grant Britain an option to purchase all of South Africa's disposable uranium caused 'great consternation and embarrassment' in Whitehall where it was considered that 'without some definite assurances of supplies from South Africa ... our whole programme for the development of atomic energy, and our bargaining position with the Americans, would be gravely prejudiced'. The request for the option had come from Attlee himself which made the 'dusty answer' from Smuts seem all the more surprising. Smuts pointed to 'the dearth of knowledge with regard to the economic possibilities of uranium'. It 'would be most difficult for this or any other government', wrote Smuts, 'to commit itself even in principle to an obligation the implications of which none can foresee.' [6]

In Whitehall, the root cause of this hesitation was not apparent. The matter was 'so delicate' and 'such vital issues' were at stake that it was thought prudent to consult Sir Evelyn Baring, the British high commissioner to the Union, as a first step. It was supposed that Smuts could not really be worried about economic considerations since the British government was prepared to be so flexible with the terms of any contract. Moreover, it was assumed that the Smuts government would not wish to sell uranium to any country other than


Britain.[7] There were, on the other hand, warnings that unless United Kingdom financial participation is considered essential to secure decisive strategic or political objectives, our financial position surely points to arrangement whereby any burden would be borne by the Union itself or by Union and U.S.A., or at most to the proportion which appears to be necessary on supply grounds for United Kingdom domestic usage.[8]

The limitations imposed by Britain's financial weakness seem to have been disregarded - temporarily at least. It was precisely because of its wider political and strategic importance that finance was not permitted to be a determining factor on this issue either then or later.

Personal contact at the highest possible level was considered in Whitehall to be the best way of proceeding. The intention was to sway the Union government by enlisting the support of those South Africans who appeared to be most sympathetic to British interests. This would be done by explaining the wider strategic significance of uranium for entire Commonwealth. Baring was told that 'a full exchange of scientific and technical information' with the Americans was 'of first importance on Imperial as well as domestic grounds'.[9]

In the event, the first move was an approach by Baring to Smuts supported by another message from Attlee. Smuts was told that 'an

'important phase' had been reached both in Britain's own plans for research and development and in Anglo-American co-operation. In each case 'the outcome will be of great consequence ... to all the members of the Commonwealth'. The matter was not resolved to Britain's satisfaction until Smuts came to London for the meeting of Commonwealth prime ministers in May 1946. He told Lord Portal, the senior official responsible for atomic energy in the ministry of supply, that South African uranium would be made available to 'our own group.' Despite this assurance, the plain fact was that the South African government was not yet committed to sell any amount of uranium to Britain. Smuts had apparently not been told about the special position of the Commonwealth in the Combined Development Trust arrangements. As yet, he saw no reason why some uranium should not be sold directly to the United States.[10]

Even Smuts (who seemed more sensitive than any other South African prime minister could ever be to the implications for the Commonwealth of the relative decline of British power) was not willing to commit instantly Union uranium to Britain in the general strategic interests of the Commonwealth. The economic significance for the Union of its uranium seems to have been grossly underestimated in Whitehall. Gold production was not expected to carry on at high levels indefinitely. The economic potential which Smuts saw in uranium was revealed when

he stated his intention that in future, the Union should 'face two ways', towards uranium as well as to gold. Before agreements could be signed, the economic implications of uranium and its effect on gold production had to be discussed with the leaders of the mining industry. Furthermore, the Union government had its own relations with the United States to consider. Direct sales of uranium to the United States would provide dollars (which even the Union was anxious to acquire after the war). Such sales might also generate goodwill in Washington where, as Keynes had reported in October 1945, the Americans were proposing a Lend-Lease settlement 'which stings the Boers to the maximum extent.' The Smuts government was also interested in attracting mining capital from New York. Smuts had no intention of disregarding the Union's own great interests in uranium. He seems, nevertheless, to have been willing to admit that British strategic needs might have to be a major consideration (even if they could not be a determining one) in the formulation of South African policy on the disposal of uranium.[11]

Although the British government hoped, and indeed expected, that old dominions would do all they could to assist in the advancement of British atomic capabilities, it felt unable to offer much in return. At the meeting of Commonwealth prime ministers in May 1946, the representatives of the three southern dominions were told that

11. Moggridge, Keynes, vol. XXIV, p. 531. The American government had never been happy about the Union's use of scarce resources to keep gold production at a high level during the war, and they intended to extract a large payment for the Lend-Lease supplies received by South Africa.
Commonwealth atomic collaboration was only possible to the extent that it did not prejudice Anglo-American relations. Until an understanding had been reached with the United States, Commonwealth co-operation would be confined to raw material production. Knowledge of atomic technology, shared through the temporary posting of dominion scientists to British research establishments, provided a valuable, if limited, basis for Commonwealth collaboration. All of the dominion leaders indicated that they would be willing to support the British atomic effort with raw materials and manpower. A fully collaborative Commonwealth atomic project would, on the other hand,

12. In accordance with the Quebec Agreement those dominions had been excluded from wartime atomic development. Apart from a few communications with Smuts, their governments had not been given any secret information. Within the British government, a closer atomic association with the Union was thought to be desirable at some stage. Australia and New Zealand were thought to have little to offer in the way of raw materials or industrial capacity. Little was done to encourage the Australian government's wish to see a Commonwealth atomic project. A 1/92, PMM(46) 11th and 18th meetings, 3 and 22 May 1946.

13. From the time of the initial identification of the Union's large reserves by a geologist working for the Manhattan project, the United States government had taken a keen interest in and devoted considerable resources to solving the problem of extracting uranium from the low-grade South African ore. The Union government agreed to send large samples of ore overseas, and investigations proceeded simultaneously in the United States, Canada, Britain, and South Africa. By mid-1947 the combined effort had produced an effective extraction process. All of this served to demonstrate that where the Commonwealth had something valuable to offer, the United States was more than willing to collaborate. L. Taverner, 'An historical review of the events and developments culminating in the construction of plants for the recovery of uranium from gold ore residues', Journal of the South African Institute of Mining and Metallurgy, LVII (1956), pp. 125-143.
have to be left in suspense pending the resolution of Anglo-American differences.[14]

Most of the bargaining power which the British government derived from its supposed special relationship with prospective uranium suppliers in the Commonwealth was expended in obtaining a large share of Congo supplies in 1946.[15] There was little else left to offer to gain access to American technical information. The United States government, and particularly Congress, was unwilling to share atomic secrets with anyone. The passage of the MacMahon Act in August of that year placed an enormous obstacle in the path of future collaboration. The British decision in January 1947 to proceed with the construction of atomic weapons had intensified the need for American technical assistance but, in the absence of any progress with the Americans, attention turned in the spring and summer of 1947 to improved Commonwealth collaboration.[16]

Some visionaries in Whitehall were attracted by the idea of atomic development in Africa. Superficially this must have appeared as a

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14. Gowing, p.98, 146-8; A 1/92, PMM(46) 11th and 18th meetings, 3 and 22 May 1946.

15. In March 1946, there had been a sudden realisation that a serious shortage of uranium was imminent if, as expected, output from the Congo mines diminished rapidly before the end of 1947. The view in the United States government was that Britain held a strong position in relation both to the Commonwealth and to Belgium. British negotiators threatened to withdraw from joint supply arrangements if Britain were not allocated a substantial quantity of uranium oxide in 1946. Bullock, Bevin, p.195; Gowing, p. 96, 98-9; FRUS 1946, vol. I, pp. 127-31, and 1245-46.

means of side-stepping the financial and political difficulties which stood in the way of a Canadian-based project.[17] In the summer of 1947 there was a revival of Bevin's suggestion that a pile be built, as a joint Commonwealth venture, in central Africa in order to take advantage of the water-power potential of the Victoria-Nyanza area.[18] The advent of atomic weapons added a new dimension to the old vision of imperial economic development. This was the dispersal of war-industry within the empire-Commonwealth in order to relieve the vulnerability of the whole to atomic attack. Sir Henry Tizard, the influential British defence scientist, favoured atomic development in central Africa for this reason. Both Tizard and Cockcroft saw 'many arguments in favour' of trying to 'get something

17. Within the Commonwealth, Canada had the most to offer to an atomic partnership. Moreover, such a partnership would be least prejudicial to the Anglo-American relationship. The failure by British policy-makers adequately to consider Canadian interests in the first six months after the war appears to have led to a marked deterioration in Anglo-Canadian atomic relations at the political level. Late in 1946, the chief British military representative in Washington suggested that Britain should build its second pile in Canada, and that it might be a co-operative venture involving all of the dominions. Attlee replied that there were insufficient dollar, manpower, and material resources. Britain would not proceed with such a project unless the United States was willing to use it as a pretext for passing on technical information. This the Americans declined to do. Gowing, pp. 134-5, 141-2, 144; DCER, 1946, vol. XII, p. 470.

18. The previous year, the foreign secretary had proposed that the construction of a pile in Africa or Australia should be discussed at the 1946 prime ministers meeting. With such a scheme, the United States would no longer be able to withhold technical assistance on the grounds of strategic vulnerability. The plan, and discussion of it by the prime ministers, seem to have been abandoned for fear of souring relations with the Americans who were steadfastly opposed to any increase in the number of countries with access to secret information. AB 16/283, Bevin to Attlee, 24 April 1946.
done in Africa'. Tizard had in mind that South Africa should 'find a large part of the monies if the scheme seemed a good one'. He proposed writing to Basil Schonland (the head of the South African council for scientific and industrial research) inviting him to Britain in the hope that he would persuade his government to sponsor the project. Lord Addison felt considerable doubt about this method of approach. He warned that Northern and Southern Rhodesia would have to be consulted. Arthur Creech Jones (the colonial secretary) felt 'bound to say at once' that there would be 'serious political difficulties in allowing the South African government to sponsor a project in Rhodesia'. Anything which gave the Union a major say in a territory forming part of Britain's colonial empire would be 'politically dangerous'.[19]

In addition to the political difficulties, there were technical objections to an African project. Portal pointed to the 'very strong technical case' against trying to 'spread more widely the resources that are available for laying what must be the foundation of the whole Commonwealth effort in atomic energy'. If a case could be made for a plant in Rhodesia, wrote Portal, 'it must rest on political and strategic rather than on technical grounds.' The African project was eventually rejected by the Atomic Energy Official Committee (AEOC) without reference to the political difficulties which would follow.

from an extension of South African influence in Africa. The scarcity of British technical resources and the desire to avoid giving the United States an excuse for non-collaboration were the determining factors in this decision.[20]

A recognition that its raw materials position might become precarious if the United States failed to gain access to Commonwealth sources of supply led the American government, in the late summer of 1947, to adopt a more forthcoming attitude regarding atomic collaboration with Britain. At the same time, some American disquiet began to be expressed about the lack of British progress in obtaining a contract for South African uranium. A British offer in May 1947 to purchase South African uranium had met, at first, an encouraging response. Too many production difficulties remained unresolved, however. The Smuts government wanted further consultations with the gold-mining industry. By October, British representatives in Washington needed to give their 'American friends' some indication of definite action to resume discussions with the Union so as to 'keep the boat steady'. Britain's financial weakness (which had become worse as a result of the convertibility crisis) began to loom as a possible obstacle to a satisfactory British bargain with South Africa. The British treasury warned that it 'had not contemplated investment of this order in a product which would not be revenue producing in the ordinary sense of the word'. There were suggestions that the South Africans themselves might rescue the British position. The

'important thing', the treasury felt, was to 'induce the South African Government to take this on'.[21]

British representatives in Washington had a more realistic outlook. The normal financing of South African gold-mining companies had already run into difficulties on the London capital market. The 'snag' was that sterling capital investment in the Union 'nowadays in effect means loss of gold to the United Kingdom'. American financing of uranium development would be 'inevitable in greater or less degree'. This, British representatives thought, might in some ways be an 'unpalatable prospect since we would thereby have at least to share the present inside track as regards South African uranium supplies, but also what may prove to be a very profitable field of investment'. The British embassy urged that the facts 'be faced now and that, with all their disadvantages, we make the best we can of them.' 'This "best" we assume to be a programme of joint investment under the aegis of the Trust or the C.P.C. which will at least ensure us as large a share as we can afford and give us an exact knowledge of what the Americans are doing.' If the British government tried to stall, it was feared that that under 'the compulsion of raw material starvation', the Americans would 'for better of for worse, and whether we like it or not, shortly try to make their own arrangements with the South Africans'.[22]

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If the British government lacked sufficient financial resources, then more reliance would have to be placed on Britain's most powerful collaborator in the Union. In Whitehall, hopes remained high that Smuts might help Britain by accepting less generous terms. Baring was asked to approach Smuts, telling him that Britain was being strongly pressed to push ahead with negotiations. In response, Smuts said that he would welcome discussion of the issue during his visit to London for Princess Elizabeth's wedding. Baring advised that the best results would be obtained by making 'a completely frank statement to Smuts of the extent of our need for South African production and the greatness of our financial difficulties.' The British high commissioner suspected that Smuts was likely to listen sympathetically to the argument that Britain 'cannot afford a price calculated to give a large margin of profit for a commodity which "will probably be of no use in peacetime".' In face-to-face discussions with Attlee, Smuts adopted a helpful attitude. He thought that there would be no difficulty in reaching agreement with Britain and the United States on price and supply arrangements in 1948. Most significantly, Smuts indicated that his government would, if necessary, supply some of the required capital. A sympathetic collaborator could, it would seem, provide a substitute for financial largesse at least when it came to striking a bargain in which Britain's strategic security and her status as a great power seemed

to be at stake.[23]

Although the British government appeared to have been favourably placed with respect to to the acquisition of South African uranium, securing full United States atomic collaboration proved to be as difficult as ever. At secret talks held in Washington at the end of 1947 and early in 1948, British, Canadian, and American representatives produced an atomic agreement which became known as the modus vivendi. Preferring an agreement which included a limited exchange of information to no agreement at all, The British government conceded that unallocated stocks of uranium in Britain and the whole of the Congo's output of uranium should be made available to the United States. Britain undertook to encourage uranium production within the Commonwealth and ensure that as large a quantity as possible of this was made jointly available. Furthermore, the British right to consultation on the American use of atomic bombs (a right which in Britain was considered to be of little real value) was given up. In return, the United States had accepted that Britain should have the capability to produce fissile material. Restrictions on the British right to develop atomic energy for industrial purposes were lifted. Britain would be permitted to exchange some information with Australia, New Zealand, and South Africa. There would be limited Anglo-American atomic collaboration, but no full exchange of technical information.[24]

The plans for an integrated Commonwealth project (which were under consideration before the negotiations for the modus vivendi began) foundered on American hesitations. Collaboration with the United States was neither so good nor so bad that Britain would want to push ahead with such a project. Until the United States abandoned its restrictive attitude, Britain's main concern in atomic relations with the Commonwealth was to gain maximum leverage from the existence of uranium there.[25]

In 1948, South Africa remained the only Commonwealth source of supply which could be exploited in this way. Convincing the United States to leave the the procurement of South African uranium in British hands continued to be a problem. With an unrestrained penchant for figurative language, Roger Makins, a senior British atomic official, explained the situation for the benefit of British representatives in Washington. 'Left to ourselves', he wrote, 'we should not think of approaching Field Marshal Smuts again at the moment, both on the grounds that it is a mistake to hustle a Dutchman, and on the particular ground of the forthcoming elections with all the uncertainties they may hold for Smuts and ourselves'. 'But', Makins continued, 'we are aware of the American itch to get into the South African picture and ... we want by all means to avoid the impression that we are trying to fob them off for some inscrutable reason of Commonwealth policy.' R. Gordon Munro of the British embassy in Washington was given full discretion 'to play the hand' as best he

could with the Americans. He was asked not to get involved in political discussion in the Combined Development Agency, partly on principle and partly to spare him 'the primitive beliefs about the British Empire' of Joe Volpe - an American representative. Makins was quite prepared to put an American mining expert who had just returned from the Union 'into bat again' in the hope that this would satisfy the Americans for the time being. If American pressure continued, an approach to Smuts would be considered. It would be necessary to find out first whether Smuts was ready to talk 'since we do not want to send anyone on a wild goose chase'.[26]

Uranium development was a sensitive political issue in the Union itself. Newspaper reports that Smuts was preparing legislation to ensure that South African uranium went to the Commonwealth prompted demands for an explanation from Die Transvaler as well as a question in the House of Assembly on 11 February 1948.[27] It was thought that, as a relatively small country, the Union was especially

26. AB 16/2001, Makins to Munro, 24 March 1948. Attlee was inclined to think that some senior British representative would have to go to the Union. He suggested that Makins himself should take this on. In Washington, Munro felt it to be 'well nigh essential' that Makins should travel to the Union and 'go into action' alongside Baring. Quite apart from the 'peculiar personal position and prestige' of Makins in this field, it was of the 'utmost importance' that he go 'as knowing first hand the international atomic scene'. Munro wrote: 'I do not repeat not think that the duty should be "relegated" to C.R.O. or Ministry of Supply any more than something similar could have been done for the Washington talks'. Furthermore, neither of these departments was in a position to know fully the overall picture as Makins and one or two officials in Washington did. AB 16/2001, Munro to Makins, 13 April 1948.

27. AB 16/514.
sensitive about sovereign rights and 'on guard against being treated as subordinates rather than principals particularly by the U.S.' If the appearance were given of rushing or interfering in their domestic affairs 'they were liable to take the line that they could and would manage by themselves'.[28]

The British cabinet office thought it best, in any event, to wait before making any further approach to Smuts. He had been 'most co-operative' in November 1947 while making it clear that he would not be willing to formulate a uranium policy until later in 1948. He was unlikely to respond differently to additional pressure after so short an interval. Moreover, the cabinet office saw that the success of Smuts in the elections was 'by no means certain'. A National Party victory would bring new and untried personalities into power: their security sense might be rudimentary; and while their desire to develop South African resources and their attitude towards the Soviet Union are likely to be firm, it would be well to let them settle down before confronting them with the complicated problem of atomic energy policy.[29]

The advice from Whitehall was that 'if Smuts wins we can approach them forthwith. If the Nationalists win, some months should elapse before any approach is made.' The Americans, with 'their rather elementary conception of British Commonwealth affairs, may think that we are trying to put them off and may be tempted to try a direct


29. AB 16/1514, cabinet office to Washington, 23 March 1948.
approach to Smuts themselves'. This must, British representatives in Washington were told, 'be studiously avoided'. 'If any approach is made to Smuts it should be made by us.'[30]

Between the end of the war and the United Party's defeat in May 1948, South Africa's relations with Britain and the Commonwealth in the field of atomic energy formed a small yet significant part of a larger picture, which for the Attlee government was dominated by the need to relieve Britain's acute strategic vulnerability in the nuclear age. International control had been one possibility. Almost every other solution seemed to demand the maintenance of Anglo-American atomic collaboration. In comparison with the United States, the Commonwealth had little to offer to an atomic partnership. Furthermore, co-operation with any of the dominions other than Canada threatened to prejudice a close relationship with the Americans. The makers of Britain's atomic policy expected all of the dominions to recognise that the strategic position of Britain should be the first concern of the entire Commonwealth. Initially at least, Smuts (in common with the Canadian government) did not view the situation in quite that light. South Africa's own immediate and substantial interests in the atomic field could not be ignored. Both the Canadian and South African governments were concerned about the

30. AB 16/1514, cabinet office to Washington, 23 March 1948.
economic aspects of uranium production, as well as with their own relations with Washington. It seems apparent that, especially in the first months after the war, British atomic policy was being formulated by officials and politicians who had insufficient regard for the material interests of the dominions. Smuts's early hesitations about signing away the rights to South Africa's uranium production should not have come as such a shock in London. The mining industry was, after all, the foundation of the whole Union economy.

Whenever difficulties were encountered with Britain's collaborative network, Whitehall looked to personal contact at all levels for the solution. This was true with respect to the United States as well as the dominions. The desired result could sometimes be achieved by working through diplomatic representatives. Within the Commonwealth this meant the high commissioners on both sides - Baring in Pretoria, and Heaton Nicholls in London. More usually, progress depended upon the most senior figures travelling to or from London. The meeting of Commonwealth prime ministers and the royal wedding provided the opportunities for explaining to Smuts the significance of South African uranium in Britain's struggle to establish itself as an atomic power.

It was with respect to collaboration founded on personal contact that the implications of Smuts's defeat were potentially most serious in the atomic, as well as every other field. Whenever Smuts was confronted personally by British leaders, he found it difficult to disregard the Commonwealth factor. This was true even with respect
to uranium where the economic stakes were so high. His presence seemed to ensure that Britain could take the leading role in negotiations for South African uranium. More importantly, perhaps, it appeared to mean that the Union would not make financial demands which Britain would be hard-pressed to fulfil. No significant amounts of uranium were produced in South Africa until 1953, so if the Union's possession of uranium really was, as Ovendale has claimed, crucial for the Labour government's defence programme,[31] then it was in the negotiations to obtain American atomic collaboration that this uranium had its real significance. The strength which Britain derived from South African uranium was not based on possession of it, or even on rights to purchase it. It was based, rather, on the existence of the Commonwealth connection with the Union which the Americans believed would lead Smuts to ally his government with Britain on the question of uranium sales. The presence of Smuts and strength of the Commonwealth connection with South Africa were Britain's real assets. The National Party's success in the general election of 1948 removed one these assets and cast doubts upon the integrity of the other.

Chapter 2

The Malan government's external relations while the Attlee government was in office, 1948-1951

Part 1

Relations at the United Nations
How would British policy at the United Nations be affected by Smuts's fall in May 1948? Gone was a Union government sympathetic to the British connection, one led by Britain's most powerful South African collaborator. In its place was a government committed to an exclusive Afrikaner nationalism. Britain's alignment with South Africa at the United Nations was already being squeezed between international pressures generated by antipathy towards South African racial policies and British domestic constraints imposed by public distaste for the same. The British government's adoption of a policy of 'political advancement' in Africa, and political developments in the Union which drove the Malan government to implement more extreme racial policies, would increase the strain that this alignment had to endure. The British revulsion against apartheid would tend, however, be to counteracted by the British government's determination to protect its own authority over dependent peoples by resisting United Nations interference in the domestic affairs of states.

Even before the third session of the General Assembly had begun in Paris, it had become clear that the Malan government's South-West Africa policy was going to be more difficult to support publicly than Smuts's had been. The Union government announced that it would send no further reports on the territory to the United Nations. South-West Africa would be granted direct representation in the Union parliament. As its predecessors had done, the Malan government planned to fend off criticism through reliance on legalistic arguments - in this case claiming that their actions did not in fact
amount to incorporation or annexation.[1]

In 1948, the British delegation was once again asked to perform a balancing act at the Assembly. Support for South Africa would, the colonial office warned, cause political trouble in west Africa, the West Indies, and possibly elsewhere in the colonial empire. On the other hand, opposition to incorporation would be difficult after Attlee had, in October 1946, announced in parliament that his government was satisfied with the Union's consultations with South-West Africa's inhabitants.[2]

The difficulties facing the old Commonwealth delegations were intensified by the unconciliatory attitude adopted at the Assembly by Eric Louw, one of the more extreme nationalists in the Malan cabinet.[3] According to Patrick Gordon Walker, who was trying to stimulate 'a middle of the road solution', Louw 'did nothing to help'. Gordon Walker, the parliamentary under-secretary for the Commonwealth who was representing Britain at the Assembly, had approached the delegations of the other old dominions. Although the

1. CO 537/3478.
2. CO 537/3478.

3. In the South African directive to its delegation there was no suggestion of accepting any compromise on the South-West Africa issue. If the South African position needed strengthening, other delegations could be told privately that further international condemnation would lead to the Union's withdrawal from the United Nations. Criticism, where it arose from ignorance about conditions in the Union, should be dealt with through the supply of information. In other cases, the faults of the criticising nations should be exposed. A 78/4, AG 2/1/1, directive to the South African delegation, Sept. 1948.
Australian and Canadian representatives said that they would 'not do as much for the South African Government as for Smuts', Gordon Walker managed to persuade them to join Britain and South Africa in opposing that part of a resolution recommending the submission of a trusteeship agreement. The New Zealand government would not go further towards assisting the Union than to abstain.[4]

International pressures at the United Nations had been met, but what of the domestic constraints affecting British policy? Britain's South-West Africa policy continued to attract criticism from various British groups concerned with the welfare of black Africans. In March 1949, Philip Noel-Baker, the secretary of state for Commonwealth relations, and Gordon Walker confronted a deputation which included Tom Driberg M.P., Rita Hinden of the Fabian Colonial Bureau, and representatives from the Anti-Slavery Society, the League of Coloured Peoples, the Slavery and Protection of Native Races Committee of the Society of Friends, and the United Nations Association. Could the British government not do more, the deputation asked, to induce the South Africans into adopting more acceptable racial policies? South-West Africa should not be allowed to fall under the 'tyranny of the Union Government'.[5] 'If our attitude to the Union Government is based on economic and strategic considerations', was it not true,


5. CO 537/4596.
asked Driberg, 'that they need us at least as much as we need them?'
Was it not possible, he continued, to get together with them and say:
'You really must grow up and learn to live like a civilised
country'? Faced with this blunt materialistic analysis, Noel-Baker
retorted:

Our policy is not in the slightest degree influenced by
economic, financial or strategic considerations, not at
all. It is influenced by this: forty years ago Campbell
Bannerman made a self-governing unit out of the Union....
Since then we have worked with them in the Commonwealth
on many matters and many South African statesmen have ...
rendered great services to the world:.... we do not want
to have an all-out quarrel with another member of the
Commonwealth in the creation of whose self-government we
still take a considerable national pride.[6]

One wonders how many members of the deputation were persuaded by this
emotional explanation.

The CRO view was that the Union government was in no doubt that the
British government did in fact 'disagree with and dislike their
policy'. To put further pressure on them 'would certainly irritate
them, but public opinion being what it is in the Union', no
favourable result could be looked for. Moreover, Britain had 'no
real political hold which would force them to change their policy'.
A public statement of disapproval would increase the influence of the
'hotheads among the Nationalist Party' and drive the Union to
'further extremes of isolation and defiance'. Unfortunately these
arguments could not be developed in public. Officials found it
difficult to see how the public defence of British policy could be

6. CO 537/4596; DO 35/3811, 3 May 1949.
based on other than legal considerations. Noel-Baker agreed that no useful purpose would be served by any representation to the Union government regarding South-West Africa.[7]

The accession to power of the National Party had not raised any hopes that the dispute over the treatment of Indians would soon be resolved.[8] Louw made no secret of the aggressive tactics he planned to follow at the third session of the Assembly. If the Assembly decided to debate the Indian complaint, his delegation would abstain from proceedings and take no notice of any resolutions. Hector McNeil, the British representative, said that this would be 'extraordinarily bad tactics' and set an 'exceeding bad precedent' of which Britain and the rest of the Commonwealth would never hear the end from Soviet and Slav countries.[9]

At the United Nations in 1949, India enlarged the scope of its original complaints to include all non-whites in the Union. A South

7. Do 35/3811.

8. In 1949 the Canadian government continued to resist suggestions that it should act as a mediator. Far from promoting a more reasonable South African attitude, an approach to the Union government might 'cause only resentment and a hardening of its attitude.' RG 2, B 2, vol. 187, file S-10, McNaughton to Pearson, 2 Feb. 1949.

9. In an 'angry and rather patronising fashion', Louw told McNeil that the British delegation 'failed completely to appreciate the basic difficulties' confronting the Union. Louw said that he was 'determined that his grandson at any rate would be pure white'. The Malan government was determined to be finished with the subject 'once and for all'. McNeil wrote that apart from the 'vanity, obtuseness and prejudice' of Louw on the 'black versus white issue', the conversation was 'surprisingly cordial.' T 236/2271, McNeil to Bevin, 24 Sept. 1948.
African resolution claiming that the issue was outside the competence of the Assembly was defeated by a large majority (with the rest of the old Commonwealth abstaining). India, in a spirit of conciliation, was willing to refrain from pressing its own resolution against another which invited South Africa, India, and Pakistan to enter into a round-table conference without pre-conditions. It seems that the Indian and Pakistani delegations were prepared to go some way towards accepting the view that positive results were unlikely to flow from adherence to a hard line.[10]

The Indian, Pakistani and Union governments agreed, in July 1949, to hold preliminary negotiations. Pakistan announced that the trade ban (which the government of united India had imposed in 1946) would be withdrawn with effect from the opening day of the Cape Town talks. It also publicly pressed the Indian government to make a similar 'gesture of conciliation'. This the Indian government refused to do. Talks nevertheless took place in Cape Town during February

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10. Yearbook of the United Nations, 1948-49, p.308; GAOR, 3rd sess., part 2, 268th meeting, pp. 312 and 324. This less strident Indian attitude did not come as a complete surprise to the Union government. From South Africa House in London, Lief Egeland had reported in August 1948 an 'unexpected and entirely spontaneous' approach from Krishna Menon, the Indian high commissioner. The 'pitch', thought Egeland, was 'obviously better here than it has been' for the Indians being induced to remove their complaint from the Assembly agenda. Egeland felt there was 'a real chance of saving ourselves much trouble and exasperation in Paris, where the pitch remains very sticky if also largely unpredictable.' A 78/3, AE 1/5/3, Egeland to Te Water, 4 Aug. 1948.
These preliminary talks produced an agreement to convene a round-table conference. This agreement was short-lived. The Malan government's introduction of the Group Areas Reservation Bill in the spring of 1950 had, so far as the Indian government was concerned, made a conference impossible. The Malan government claimed that its intentions had been explained privately at the Cape Town talks. In fact, only the vaguest hints of South African intentions seem to have been given. Although there were suggestions that neither India nor South Africa had been acting entirely in good faith, Indian and Pakistani expressions of surprise and regret seem to have been genuine. (The Indian delegation returned from the Union 'profoundly depressed' about the future of South Africa and without any hope of reaching an agreement.) The Union government apparently hoped for a conference late in the autumn because it feared that the talks would break down. If this breakdown had occurred late enough in the year, the subject could have been kept off the Assembly's agenda.

The view of British and Canadian representatives in Pretoria was that the Indian government was probably correct in claiming that the Malan

11. The Canadian high commissioner in New Delhi thought that the Pakistan government's main reason for lifting the trade ban was the desire to relieve the problem it was facing with such commodities as coal and jute as a result of the Indo-Pakistan trade deadlock. In 1948 Pakistan made moves to obtain South African coal. RG 25, acc. 84-85, 019, vol. 370, file 10486-40-1; A 78/4, March 1948.

The implications of South African racial policies for relations between 'white' and Asian members of the Commonwealth were pointed out clearly in 1950 by Akhtar Husain, a senior Pakistani official. At the Colombo and Sydney Commonwealth Conferences, various Commonwealth governments accepted responsibility for organising economic aid to the countries of south-east Asia in an effort to resist the spread of communist influence. Akhtar Husain asked the Canadian high commissioner to Pakistan: 'How can you convince the rest of us that there can be fruitful co-operation with the white members of the Commonwealth when one white member proposed to treat people originating from two coloured countries of the Commonwealth in this fashion?'[15]

13. Malan had agreed to negotiations on the same basis as the 1927 and 1932 conferences. The conditions on which those conferences were held was that 'India should assist with repatriation with a view to effecting an appreciable reduction in the Indian population in South Africa'. A 78/8, AE 2/4 and AE 2/1.

14. Zafrullah Khan, the Pakistani minister for foreign affairs and Commonwealth relations, told the Canadian high commissioner that he had no serious quarrel with the South African policy of requiring that people of different races should live in different places, but that restrictions on the trading and business activities of coloured people were in 'quite a different category'. RG 25, acc. 84-85, 150, vol. 82, file 5600-40-3, 26 Aug. 1950.

Not only the Asian members of the Commonwealth were disturbed by developments in South African racial policies during 1950. In New Zealand, the department of external affairs argued that a reconsideration of policy on the Indian complaint was in order. It had become increasingly apparent that the Malan government 'talk separation but aim at superiority'. Legislation described as 'exclusively domestic' was part of a plan 'to achieve the withdrawal of all Indians from Africa'. External affairs suggested that there were three factors which might lead New Zealand to decide that the Assembly was competent to deal with the Indian complaint. First, 'the recent intensification' in the Union of measures against Indians. Second, the divergence between Union policy and the United Nations declaration of human rights. Third, New Zealand certainty that the Soviet treatment of wives of foreigners fell within the competence of the Assembly. The factors which, on the other hand, might lead New Zealand to avoid taking a decision on the merits of the case were: the 'very great' difficulties confronting the Union's white population; the likelihood that external interference might worsen the position of Indians in the Union; and, finally, that South Africa might leave the Commonwealth. While this external affairs paper was careful to avoid stating so directly, it seems clear that the intention was to persuade ministers that New Zealand should not support the Union if the Malan government persisted with its existing policies. The paper suggested that the issue should not continue to be 'studiously avoided' by Commonwealth Conferences. It was 'in the Commonwealth grouping that the final act may be staged' - where a
choice between the continued membership of India or South Africa would have to be made. Directly or indirectly, an opinion on the merits of the Indian complaint would have to be expressed at some stage. External affairs thought that this should be done 'within the Commonwealth circle'. New Zealand ministers evidently thought differently. New Zealand policy remained one of avoiding giving serious offence to either side in the hope that Commonwealth ties with neither would be weakened.[16]

Suspicion in 1950 that the Union government was to blame for the breakdown of negotiations with India and Pakistan seem not to have affected Australian policy. The Australian delegation supported most strenuously the South African contention the the Assembly was not competent to deal with the Indian complaint. The Australian and Union delegations were often alone at the Assembly's fifth session in voting against resolutions consistently supported by India and Pakistan. Other old members of the Commonwealth went no further than abstention on the resolution calling for a renewed effort at negotiation and requesting that the Union not implement the Group

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- 111 -
The difficulties facing the governments of the old Commonwealth at the United Nations on the South-West Africa issue were eased, temporarily at least, by the referral of this issue to the International Court of Justice. In December 1949 the Assembly passed a resolution requesting a ruling by the Court, but as the British government was to discover, problems had merely been transferred to a different international institution. If anything, international pressures acting on the Anglo-South African relationship were increased because the Court had more authority than the Assembly. Moreover, the British government would feel obliged to uphold that authority even if the Court's ruling were unfavourable to Union as

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17. T.B. Millar, The Commonwealth and the United Nations (Sydney, 1967), p. 149; Yearbook of the United Nations, 1950 (New York, 1951), pp. 400-407; GAOR, 5th sess., 15th plenary meeting, pp. 529-538. Despite being on the receiving end of yet another unacceptable resolution, South Africa's representatives to the United Nations believed that their government could be persuaded to take positive steps to resolve the dispute over the treatment of Indians. They indicated to the Canadian delegation that the existing impasse might be broken through an approach to Malan at the meeting of Commonwealth prime ministers in 1951. Within the Canadian department of external affairs it was suggested that there was 'every reason to assume that such an informal approach could be accepted by the Union Government'. The exclusion, from the proposed agenda, of the disputes over Kashmir, South-West Africa, and the treatment of Indians was regarded, in the department of external affairs, as being 'illogical'. (As it turned out, it was only with respect to the Indo-Pakistani dispute over Kashmir that Canadian ministers were willing to see informal discussions take place.) In any case, the opportunity for an approach to Malan was lost when he declined to attend the 1951 meeting. RG 25, acc. 84-84, 150, vol. 82, file 5600-40-3; F. Soward, 'A survey of Canadian external relations, 1946-1952', (unpublished Canadian department of external affairs report, 1955), chapt. 2, pp. 52-3.

18. CO 537/4596.
Revulsion against apartheid, and the British government's desire to chart a far different course of 'political advancement' in Africa, produced a hardening of British ministerial attitudes which made itself felt in the deliberations over whether to intervene on the side of South Africa at the International Court. Less influenced by growing international pressures and domestic constraints were officials in Whitehall, who focussed their attention on the safeguarding of Britain's rights as a colonial power. A.N. Galsworthy of the colonial office warned that issues were likely to be raised in the Court that could have 'a direct and most important bearing upon the Colonial Empire'. This was especially true in relation to United Nations attempts to bring all non-self-governing territories under strict international supervision. A ruling to the effect that the General Assembly was entitled to a say in the constitutional development of such territories 'would be nothing short of disastrous'.[19]

The wisdom of intervention was soon questioned at the ministerial level. Hector McNeil, the minister of state at the foreign office, was concerned about the effect on British public opinion. British policy on South-West Africa was already under fire as a result of British opposition to the appearance of Michael Scott before the United Nations trusteeship committee. Intervention at the Court

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would be regarded as indicating a desire to uphold the Malan government, since few people would appreciate the precise legal issues at stake. The attorney-general, Sir Hartley Shawcross, considered that a cabinet decision was required.[20]

In consultation with the CRO and foreign office, officials in the colonial office prepared a cabinet memorandum arguing the case for intervention. Urgency was added to the proceedings by the shortage of time between the British general election in February 1950 and the deadline for submissions to the Court in March. Further revisions to the paper were ordered after John Dugdale, the minister of state at the colonial office, insisted that it would be 'most unwise politically' for Britain to be represented at the Court since 'we shall in fact, whether we like it or not' appear to be defending South Africa. 'We are already in enough difficulty with the Seretse case', warned Dugdale, 'without putting our head into a noose' by appearing at the Court.[21] Before ministerial approval for intervention could be secured, the deadline for written submissions to the Court passed. Officials in Whitehall then called for an oral intervention. Dugdale agreed to this on the understanding that British representatives would make clear to the press at the Hague


'that our policy is quite different from that of the Union'.[22]

The paper which emerged after five months of discussion was finally presented to cabinet on 4 May 1950 by James Griffiths, Gordon Walker, and Kenneth Younger, the minister of state at the foreign office. Griffiths and Younger both noted that the arguments for and against intervention were evenly balanced. Both were prepared to recommend intervention as long as the British government publicly dissociated itself from South African native policy. Gordon Walker said that the Union government would 'take it amiss' if Britain failed to intervene. He conceded, however, that cabinet would have to make its decision with reference 'solely to United Kingdom interests, and without regard to the feelings of the Union Government'. Even on these grounds, Gordon Walker thought that Britain should be represented at the Court.[23]

The Attlee cabinet was not convinced. Intervention was bound to be represented as implying support for the South African case. The British government would 'certainly incur political odium' for doing so. On top of that, intervention would invite the Court to pronounce on the issues which were of concern to Britain 'in a context most unfavourable to our case'. As with the 1946 cabinet decisions on South-West Africa, the arguments were described in the cabinet minutes as being 'nicely balanced'. In 1950, however, cabinet was

22. CO 537/5708, 29 March 1950.
23. CAB 128/17, CM.28(50)3, 4 May 1950; CAB 129/39, CP(50)88.
not asked to shape its policy around upholding the position of a leading collaborator. Furthermore, the repugnance with which apartheid was viewed had increased the penalties attached to an alignment with the Union. The British government would not, cabinet agreed in May 1950, be represented at the Court.[24]

If the Attlee cabinet refused to authorise intervention at the International Court, what line would it expect British representatives to take at the United Nations on the issues of South-West Africa and the Indian complaint? The prospect of another, if still rare, rejection of departmental advice was undoubtedly viewed with some alarm by officials in Whitehall. The CRO seems to have been anxious that decisions would not once again be taken without reference to the effects on relations with the Union. In consultation with the foreign and colonial offices, officials at the CRO prepared a paper setting out in detail the reasons for preserving close relations with South Africa and, in particular, for Britain's not aligning itself with the Union's critics at the United Nations.[25]

Some colonial office officials thought that the CRO's draft was too lenient towards the Union. Unless it were made clear to the world at large that the British government was not prepared to 'condone or

"overlook' South African racial policies, 'our position in the eyes of African and Indian opinion will be seriously weakened, and our credit in the United Nations ... completely destroyed.' Others, while agreeing that Britain should avoid being 'tarred with the apartheid brush', questioned whether vocal disapproval of South African policies in the United Nations should be regarded as more important than obtaining a South African contribution to the defence of the Middle East - 'very nearly the biggest strategic interest of the U.K.' 'It would be folly to risk antagonising the S. African Government on imperial defence for the sake of making doubly sure that H.M.G.'s policy is not confused with S. Africa's'. The National Party were unlikely to lose the next election. Public criticism would only encourage them to break the Commonwealth connection. The effect of this on Britain's political and material influence 'would be considerable'. Moreover, Britain was probably the only outside influence which could, however slightly, affect the attitude of the Union government. By joining 'the pack howling against them', the Union would be driven 'out of the Commonwealth into an outer darkness of their own'.[26]

The final version of the cabinet paper acknowledged the international pressures and domestic constraints which were acting on Anglo-South African relations. Britain could not afford to offend India 'since we wish to enlist her great influence in Asia'. Furthermore, any

suspicion that the British government sympathised in any way with South African racial policies 'would so deeply disturb African and Indian public opinion in our African colonies as to constitute a threat to their internal security'. Public opinion outside of South Africa was 'unmistakably hostile to the policies of the Nationalist Government, not least in the United Kingdom itself'. There were, nevertheless, four broad reasons for preserving good relations with the Union. First, the Cape shipping route, the Union's potential military contribution to the Middle East, and its possession of uranium were important strategically. Second, the Union was valuable as a market as well as a destination for capital and its gold was of the 'utmost importance' for the viability of the sterling area. Third, South African co-operation was needed if Britain were to retain control of the High Commission Territories. Fourth, and most important for many ministers, there was the need to hold the Commonwealth together.[27]

Gordon Walker presented the paper to cabinet. He said that the task of preserving good relations with the Union was 'one of the most difficult now confronting him.' For the colonial office, Griffiths emphasised the disturbing effects of South African policies elsewhere in Africa, as well as the threat posed by the Union's expansionist tendencies. He and Aneurin Bevan both suggested that Britain might, at some stage, have to decide whether the interests at stake in relations with South Africa outweighed those which were being put at

27. CAB 129/42, CP(50)214.
risk by a close association with the Union. Other ministers stressed the strategic importance of securing South Africa's support in any struggle against communism and the value of the military support which South Africa seemed likely to provide in the Middle East. Cabinet agreed that Britain should, in concert with the older Commonwealth countries, attempt to exercise a moderating influence in disputes between the Union and other parties. Above all, we 'should do all we can to retain South Africa as a member of the Commonwealth'.[28]

In the same paper, cabinet was asked to rule on the specific line to be taken on the South African items at the United Nations. It was agreed that the previously adopted policy of 'strict neutrality' should be maintained on the 'treatment of Indians' issue. Also accepted was the recommendation that pressure should continue to be placed on the Union to accept the International Court's advisory opinion on South-West Africa. The Court had ruled that the territory's international status had not been altered by the demise of the League of Nations and that the Union was obliged to transmit

28. CAB 128/18, CM.62(50)4, 28 Sept. 1950; Paul Rich, who appears to have seen no more than an extract of the cabinet conclusions, seems to have misjudged the significance of the decisions reached. Rich describes this British policy as being based on short-term political considerations, but policy was based on the same four reasons that governed British policy for the entire post-war period. P. Rich, 'The impact of South African segregationist and apartheid ideology on British racial thought, 1939-1960', New Community, XIII (1986), pp. 1-17.
reports and petitions.[29]

The Union government's room for manoeuvre at the United Nations on the South-West Africa issue had been seriously impaired by Malan's own publicly made commitments not to submit reports or petitions in fulfilment of the Court's ruling.[30] In Whitehall it was argued that Attlee should warn Malan 'as courteously as possible' that if the Union refused to submit reports (as the International Court had advised), it could not expect to receive British support at the

29. The Court also ruled that there was no obligation to submit a trusteeship agreement. The Union government had claimed this all along. CAB 128/18, CM.62(50)4; CO 537/5710, note by Lloyd, 25 Sept. 1950. The British cabinet had to decide what line to take on another issue involving South Africa at the United Nations: the question of whether Michael Scott should be permitted to speak on behalf of the native inhabitants of South-West Africa. This had been one of the most controversial questions at General Assembly in 1949. Some Labour ministers were concerned lest the British government create the impression that it opposed Scott's views when these happened to be 'well received by a considerable body of Government supporters' in Britain. A proposal that Britain should abstain on this issue was nonetheless rejected. Cabinet agreed that the grant of a hearing should be opposed. It would, however, be made clear at the United Nations that this was based solely on the principle that it was wrong to allow private individuals to participate in the deliberations of states. FRUS, 1950, vol. II, p. 60.; CAB 128/18, CM62(50)4, 28 Sept. 1950.

30. These 'indiscretions' were made during the election campaign in South-West Africa for representation in the Union parliament. British representatives in the Union warned that Malan would be under pressure from 'extremists like Louw' to stand firm. If these men had their way, it would 'not need much' to cause the Union to leave the United Nations. FO 371/88565, 25 Aug. 1950.
Assembly.[31] Hopes for a triumph of moderate opinion in the Union faded after a 'provocative and ill-timed' speech by Malan in which he restated that no reports would be submitted.[32]

Instead of making concessions, the Malan government preferred the politically less painful route of relying on the argument that the International Court did not possess all of the relevant evidence when judgement was passed on South-West Africa. The Union turned to Britain and other members of the Commonwealth for support in the argument that it was the deliberate intention of the League to refrain from bequeathing its supervisory functions to the United Nations. (British research revealed that Commonwealth opinion on this subject had, in fact, been divided.) In Whitehall, the South African plan was thought to be 'so fraught with danger' as to make it

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31. Such a warning was sent even though Malan had made it known that he did not wish to receive it before the South-West African election on 30 August 1950. The British government had decided to act quickly before the National Party government formulated a reply to an American approach on the same subject. (In the wake of the outbreak of hostilities in Korea the Union ambassador in Washington was told that the submission of reports was necessary 'to maintain unity in the General Assembly with states newly emergent from Colonial Status, in the light of the Far East crisis.') FRUS, 1950, vol. II, pp. 476-7.

32. FO 371/88565.
inevitable that any attempt to use it would 'boomerang'.[33]

After a six week visit to southern Africa at the beginning of 1951, Gordon Walker presented, in a cabinet memorandum, his own comprehensive analysis of Britain's relations with the Union. This memorandum, as some writers have already noted, was of central significance in charting the course of future British policy.[34] Friendly relations with the Union had to be maintained. Equally, though, South African influence in Africa had to be contained. This was essential if Britain were to retain control of colonial development there. It was important to give the Union 'what help and guidance we decently can at the United Nations.' Those who argued that 'because we dislike the Union's native policy we should ostracise her ... fail to understand the realities of the situation.' Such a policy would not only 'gravely harm Britain in the defence and economic fields, it would also weaken Britain's power.

33. CO 537/5710, note by Wilson, 2 Oct. 1950. Predictably, the General Assembly was unimpressed with the South African argument that, in light of the new evidence, the International Court's judgement could not be binding. The delegations from Britain, Canada, India and Pakistan all voted in favour of a resolution accepting the opinion of the Court, urging the Union to comply with it, establishing a committee on South-West Africa, and authorising it to examine reports to the territory. South Africa voted against. Australia and New Zealand abstained. On the resolution urging the submission of a trusteeship agreement, the South African, British, Canadian and Australian delegations voted against. New Zealand, as ever on this issue, would go no further than to abstain. Yearbook of the United Nations, 1950, pp. 807-822; GAOR, 5th sess., 322nd plenary meeting, pp. 629 and 631.

34. See, for example, Ovendale, 'The South African policy of the British Labour government', pp. 54-58.
to deter South Africa from foolhardy acts from fear of breaking with us.'[35]

At the time of the Attlee government's defeat in October 1951, relations at the United Nations between South Africa and other members of the Commonwealth may have appeared on the surface to have changed relatively little since 1946. In reality, the alignment at the United Nations of Britain and some other old Commonwealth countries with the Union was under heavy strain. One of the most powerful forces acting to preserve that alignment seems to have been the determination, held most strongly by those Commonwealth governments with colonial responsibilities, to resist United Nations interference in their affairs. The other such force which was of significance was the desire to lend diplomatic support to a fellow member of the Commonwealth. This force seems not, in itself, to have been sufficient to override the international pressures and domestic constraints which were tending to split this alignment apart. As the decision not to intervene at the International Court showed, the need to preserve good relations with the Union was a major consideration, but it was not a determining one. While care was taken to avoid unduly upsetting the Union government, the Labour government had shown that it was, when other important British interests were not clearly at stake, unwilling to expose itself to sharp international

35. CAB 129/45, CP(51)109, 16 April 1951.
and domestic criticism for the sake of South African goodwill.

Hopes went unfulfilled that some power might step in as a mediator and ease the pressures generated by international antagonism towards South Africa. The United States government regarded the disputes as a Commonwealth responsibility. The Canadian government, while willing to mediate in the Indo-Pakistani dispute over Kashmir, preferred to steer clear of the controversies involving the Union, leaving them as a British responsibility.[36] For any power with a serious interest in resolving the disputes involving the Union, the prospects for a successful outcome were simply too remote and the risks of precipitating a crisis of one sort or another too grave. The South African issues at the United Nations appear as something of a political hot potato for the governments of the old Commonwealth. None of them felt able to abandon South Africa at the Assembly. To have done so would have opened the door to much wider United Nations

36. RG 25, acc. 84-85, 150, vol. 126, file 1038-40-7, note by Heeney, 2 April 1951. There seems to be no evidence to support Hayes's claim that Canada 'was attempting through bilateral consultations to encourage moderation in the application of the Union's racial policy'. As an example of how the Canadian government was 'not reticent about engaging in bilateral consultations', Hayes pointed to 'high level talks in December 1948' with 'South Africa's High Commissioner, Mr C.T. te Water'. First of all, Te Water was not high commissioner at that time. Second, Te Water's function as ambassador-at-large was to 'sell' apartheid to other governments. It seems misleading to describe one stop on an inter-governmental public relations exercise as 'high-level talks'. It seems doubtful that the desire to play the role of 'helpful fixer' ever significantly influenced Canadian policy towards South Africa. It was true that the Canadian government wished to avoid actions which might worsen the situation. This seems to be something quite different from actually seeking to 'fix' a problem. F. Hayes, 'South Africa's departure from the Commonwealth, 1960-1961', International History Review, II (1980), pp. 453-484.
interference - something which could have had immensely damaging consequences for Britain. None of those governments was, on the other hand, keen to suffer the burns which were sure to follow from any solo effort to grapple seriously with the disputes. The only option seemed to be a diplomatic juggling act. Unfortunately for the governments which, however reluctantly, found themselves supporting the Union at the United Nations, the Malan government showed little inclination to modify its racial policies and thus reduce the heat which its friends had to endure. On the contrary, all indications at the beginning of the 1950s were that temperatures generated by racial tensions in the Union were set to rise.
Chapter 2, part 2

Economic relations, 1948–1951
Afrikaner Nationalist desires to chart a more independent economic course for the Union had to be weighed against two broad considerations. First, the external financial policy of the Smuts government, even if the Nationalists had criticised its subservience to Britain, had been founded squarely upon economic self-interest. The Malan government thus had no obvious material reasons for deviating from its predecessor's policies. Second, the Union was poorly placed to strike out on its own economically. South African administrative machinery was crude. More importantly, there was virtually no way to escape from dependence on Britain as a market and as a source of supply of capital funds and goods. As an effective partner in the economic development of South Africa, Britain could not easily be replaced by other powers, singly or in combination. Furthermore, the British government itself could wield considerable influence in international economic and financial markets which, in the late 1940s and early 1950s, remained far from free. As the Labour government was to prove, mutually advantageous collaborative bargains, of the sort which had underpinned the imperial and Commonwealth relationship with southern Africa since the nineteenth century, could still be struck if the British hand were played well at an auspicious moment.

When the National Party took power, the Union government was badly equipped to stand alone in the world economically. The Union depended on Britain for up-to-date statistics on both capital movements and trade. In 1948 it was noted that the statistical apparatus in the Union was 'not only inefficient but anything up to
two years behind.' South Africa's own trade figures 'represented mere guess work supported by wishful thinking'. This backwardness seems to have pervaded the entire government. The cabinet reportedly kept no minutes and had no secretary. It frequently happened that ministers were unclear as to what had actually been decided. More effective machinery of government was required before serious moves towards financial independence became practical.[1] Beyond these administrative considerations, the Malan government was unwilling to jeopardise its electoral position by allowing Afrikaner Nationalist ambitions to upset the sound management of the economy. As Sir Evelyn Baring, the British high commissioner, noted, 'Nationalist ministers have very long memories. Only once in the past have they been in as strong a position as they are now. They lost that position owing to the depression of 1930.'[2]

Whatever its relative economic strength, Britain was left, after the fall of Smuts, with few collaborators in the Union government who were inclined to promote policies which coincided with British aims. The civil service outlook which prevailed in South Africa even before the Nationalist victory was that any 'further financial assistance which the Union might be able to render the United Kingdom or any other member of the Western European group could at best be relatively negligible.' The Union's 'main contribution' should, it

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2. T 236/2642, note by Baring, [June 1950].
was recorded by the department of external affairs, 'be its co-operation in the development of the resources of Southern Africa.' This was 'in accord with our national line of development and would be as much in our own interests as in the interests of the territories concerned.' The British government was anxious to promote a different pattern of co-operation.[3]

Fortunately for Britain, a powerful South African collaborator could be found whose vision was wide enough to recognise that the Union might have a major financial role to play outside Africa. This was N.C. Havenga, the minister of finance and leader of the Afrikaner Party which, initially at least, governed in coalition with the National Party. He had direct experience with the formidable hazards which awaited attempts by a small nation to pursue an independent economic policy. As minister of finance under J.B.M. Hertzog, Havenga tried (in what became a highly politicised issue) to keep South Africa on the gold standard after Britain left it in 1931. The Hertzog government initially declared that it would never follow Britain in this move. Domestic political pressure from farmers and gold-mining interests, as well as a general lack of confidence inside and outside the Union in an independent South African currency, forced the Hertzog government, after fifteen months of controversy, to devalue the South African pound and realign it with sterling. Havenga knew that the Union was an inextricable part of an economic world system centred on Britain and that without British co-operation


- 128 -
the Union's economic position would be highly precarious.[4]

Having one sympathetic collaborator in a country which had no easy alternatives to continued co-operation with Britain was one thing. The actual establishment of financial arrangements advantageous to Britain was quite another. The weakness of the Union's own balance of payments position would, it was hoped in Whitehall, drive South Africa 'to recognise that she is a member of the sterling area and that certain consequences follow from that'. To treat the Union as an independent hard currency country would entail cutting down British imports from there. As South Africa's means of payment narrowed, exports to South Africa from all sources would diminish as well. This would, Thompson-McCausland of the Bank warned, 'be the inevitable consequence of agreeing that South Africa was bound to maintain non-discrimination and I can imagine that the results in things much wider and more important than exchange control would be most unwelcome.' South Africa's temporary abandonment of non-discrimination (one of the fundamental principles of the Bretton Woods system); her relationship to the sterling area; and her membership of the Commonwealth, were thus seen to be closely entwined.[5]

The immediate British objective was seen by the treasury and the Bank of England to be the exhaustion the Union's sterling balances as


5. T 236/1514, 20 Nov. 1948.
rapidly as possible. Until those balances were run down, any direct approach to the Union government on general financial and trade questions was not thought to be to Britain's advantage. No 'sentimental preferential treatment' could be expected. The longer Britain waited, the weaker would be South Africa's position. The Union would have to 'wake up one day to the difficult position' she would be in when her sterling balances were exhausted. American capital was not available on acceptable terms. The London market was proving difficult. The mining houses were worried about finding the funds to develop the Free State gold fields. It was clear that 'the whole of South Africa's Development Programme was in jeopardy'.[6]

The need to advance by means of personal contact with South Africans at the highest possible level was clearly recognised in Whitehall. Malan travelled to London in the spring of 1949 for the meeting of Commonwealth prime ministers, but he insisted on discussing constitutional issues and nothing else. At this stage it was thought that to ask for something from the Union was to proceed on the 'worst possible basis'. It was far better to wait until the South Africans themselves asked for assistance. A steady weakening of Britain's exchange position from the beginning of 1949 meant that Britain could

6. T 236/2274, meeting of treasury and BoE 24 Nov. 1948. A major obstacle to the adoption of discriminatory trade policies by the Union was, of course, her international obligations under the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT). This obstacle was, however, more apparent than real. As the CRO pointed out, 'the Canadians have shewn that they are able to operate nominal non-discrimination in our favour'. T 236/1514, Garner to Rowe-Dutton, 18 Nov. 1948.
not, by the spring, afford to play a waiting game. An urgent British request for financial discussions was made to all members of the Commonwealth as well as to the United States.[7]

South Africa's response to the sterling crisis was regarded as being 'of particular importance.' South Africa produced £100m of gold a year, and it was of 'decisive importance' that Britain should get 'a fair share of this'. The hope in Whitehall was that discussions begun with officials could be pressed towards a satisfactory conclusion while Havenga was in London for the meeting of Commonwealth finance ministers. Within the British treasury, there were seen to be two attitudes which could be adopted. The first was 'to be pessimistic about the Nationalist Government; to refuse to consolidate its financial position by financial help except perhaps (in view of our urgent needs) in a hard bargain, for a very concrete golden quid pro quo'. The second was to 'believe that the Nationalist Government may prove to be our friend, or that,

7. T 236/2274; T236/2275, 29 March 1949 and 28 April 1949. Sir Stafford Cripps, the British chancellor of the exchequer, wanted to solve the balance of payments problem through a co-operative Commonwealth effort. The solution did not lie in a 'two-world' policy in which the dollar and non-dollar worlds would become insulated trading groups. This was anathema to Canadians, would find no support in South Africa, and 'would not in the last resort carry the other members of the Commonwealth with it.' One of the primary aims of the conference was to convince members of the sterling area to reduce their dollar expenditure to 75% of levels in 1948. The achievement of this was known to be 'fraught with difficulties'. How could an unwilling country be coerced into making cuts? Exclusion from the sterling area was the 'ultimate sanction', but this was a 'two-edged weapon'. Cripps saw that 'the consequences of the removal of any important Dominion from the sterling area (especially at this juncture) would be extremely grave.' PREM 8/975, note by Cripps, 9 July 1949.
alternatively, it would pay us to act on that assumption'.[8]

Havenga's 'entirely objective' attitude at the Commonwealth finance ministers' meeting did not infuse British treasury officials with confidence. The Union had 'shown no sign of a readiness to sacrifice what she considers to be her own interests to those of the sterling area as a whole'. The main South African contribution to the proceedings was 'a monotonous repetition' of the need for an increase in the price of South African exports (especially gold) and a decrease in the price of her imports from the sterling area. The British treasury saw that South African concessions would necessarily be the product of hard bargaining.[9]

The British side knew that the Union was 'desperately short of sterling', that the gold loan had almost been repaid, and that £1m of capital was fleeing South Africa each week. The British government alone was in a position to help. It could grant authority to borrow in the London market (which by restoring confidence in the Union would help to stem the capital outflow.) The purchase of 'non-essential' goods (such as fruit and wine) from South Africa was under the control of the British government. Furthermore, the benefits which the Union obtained through membership of the sterling area (such as permission to trade in sterling with a large part of the non-dollar world) were sustained by the British government's

discretion. Such favourable circumstances might never recur. The British treasury wanted to insist upon a guarantee that Britain would acquire £50m of South African gold a year: 'surely we owe it to ourselves and to the other members of the Sterling Area to demand a guarantee while we are holding so strong a hand.'[10]

The British government proposed that, in return for South African access to British capital and British agreement to purchase £12m of agricultural products, the Union should sell 725,000 ounces of fine gold per quarter (i.e. roughly £25m per year) to Britain and should pay for 'essential' imports from any source with gold or hard currency. The problem was not so much winning over Havenga. He was, in fact, convinced that good progress could be made in solving the Union's economic problems with the help of the 'English'. Rather it was one of securing an agreement that Union officials and, much more significantly, the Malan cabinet would accept.[11]

The agreement eventually reached between Havenga and Hugh Gaitskell, the minister of fuel and power, embodied the original British proposals except that there was no guarantee that Britain would obtain 50% of South Africa's gold output. In order to avoid a formal agreement (which would have to be registered with the United Nations, thus publicising British and South African intentions to contravene


11. A 80/8 Holloway to Steyn, 28 July 1949; Holloway to Havenga, 6 Aug. 1949 (translated by Buks Janse van Rensburg); A 80/10, Steyn to Holloway, 5 Aug. 1949.
the rules of the IMF and GATT), arrangements were set out as a 'Memorandum of Understanding'. Details of the import licensing system were left to be resolved between the South African authorities and British officials who travelled to the Union.[12]

British officials had not been long in the Union before it became apparent that South African ministerial opinion was not reconciled to the agreement. Louw and Dönges, two of the more extreme Nationalists in the cabinet, emerged as the irreconcilables. They undoubtedly disliked, on principle, the arrangement whereby the South African import licensing system would be operated to ensure that Britain earned a large proportion of the Union's gold output. They abhorred the implication that Britain had gained the right to interfere in the administration of South Africa's import policy. Louw insisted that the British government 'should not be brought under the impression that this scheme is acceptable'. They were overruled by Havenga while he was overseas. The Union minister of finance argued that the Memorandum of Understanding was the product of an attempt 'to find the highest common denominator among difficult and conflicting issues'. He refused to re-open negotiations with Britain as Louw proposed.[13]

By October 1949 the opponents of the Memorandum of Understanding seem

12. A 80/8; A 80/10.
to have gained the upper hand within the Union government. In discussion with British representatives, Holloway adopted the line that the devaluation of sterling in September made strict adherence to the Memorandum of Understanding unnecessary, especially when to do so would antagonise the members of GATT and the IMF.[14]

This South African attitude provoked deep concern in Whitehall. 'Paramount importance' was attached by the British government to gaining a chance to earn (beyond the guaranteed payment of 2.9m ounces of gold a year) additional gold in 'full and fair competition' with the dollar countries. South African authorities were told, in no uncertain terms, that British ministers regarded the gold guarantee and the opportunity to earn 'substantial additional quantities of gold' as 'fundamental to the whole understanding'. The message sent by Sir Henry Wilson-Smith of the British treasury to Holloway stated that 'unless we in London have completely misunderstood the situation, I can see the possibility of a fundamental disagreement developing between our two Governments which would destroy all the fruits of our official labours in London this summer'.[15]

That in financial bargain-making the British government had become heavily dependent on operating through Havenga (as in the past it had operated through Smuts) was clear from the unco-operative attitude

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adopted by other South African ministers and officials. In discussions during October, Holloway went so far as to claim that no mention of a guaranteed sale of gold was made during the negotiations which led to the Memorandum of Understanding. Within Whitehall, it was believed that both Havenga and Holloway were, for domestic political reasons, reluctant to admit publicly that Britain had extracted an agreement which seriously reduced the amount of gold available for free competition in the import of essentials. The prospect of a loss of South African goodwill and the strengthening of 'the hands of those comparatively hostile to us against those who are comparatively friendly' led Baring to suggest acceptance of a compromise.[16]

Officials in Whitehall saw that the 'real decision' was whether 'we go for the scheme that is based on economic grounds at the risk of losing our advantage for political reasons', or 'take the risk that political goodwill will be sufficient to enable us to achieve our objectives'. The inclination in the British treasury was to insist that the Union be held to the Memorandum of Understanding. The Bank of England and the board of trade suggested that the important point was not the method by which Britain was assured of obtaining a guaranteed 25% of South African gold output, but whether Britain had a fair chance of earning an additional 25%. The CRO found it a 'source of amazement' that South African representatives had ever accepted the obligations contained in the Memorandum of

Understanding. South African authorities would, 'if forced to give us our pound of flesh, make sure that we receive nothing more'. Furthermore, as was noted in the CRO, 'we have no real sanctions which we could apply' to extract British objectives. Reliance had to be placed on moral persuasion. Havenga was the key policy-maker who would be susceptible to this.[17]

It was, perhaps, a measure of the severity of Britain's financial difficulties that British officials were prepared to recommend the adoption of the treasury's hard line. The official inter-departmental recommendation put to Cripps was that Britain must insist upon adherence to the Memorandum of Understanding. The limiting factor was the need to avoid undermining the position of Havenga. Cripps was informed that there was 'little doubt that an important element in the Nationalist Party has never liked the Memorandum of Understanding and that if we hold Dr. Havenga to it, we will make his political position in the Union very difficult.'[18]

In what seems to be a good example of how the British high commissioner could influence events, Baring was given considerable powers of discretion in judging what demands would be acceptable. He was instructed to accept a compromise if, in his opinion, South African political objections had 'real substance' and were 'of the sort that would be likely to leave them really disgruntled and

uncooperative'. In that case there would have to be an 'unqualified assurance' that Britain would obtain 50% (£75m) of South African gold output.[19]

When approached by Baring on this subject, Havenga at once conceded that he was prepared, if necessary, to carry out whatever undertakings were considered to have been agreed in London. Havenga and Holloway were, however, 'acutely embarrassed' about the gold guarantee. They were prepared to go a 'good way' to meet British objectives to avoid it. In response, Baring told them that the British government might accept a compromise. Attempts by British representatives in the Union to reach such a compromise came rapidly to an impasse. The South African side refused to organise import controls to ensure that Britain earned 50% of the Union's gold output. The representatives of the Union department of commerce and industries (described as a 'Nationalist stronghold') were determined to keep their hands free.[20]

Baring could not recommend the arrangement which emerged. It departed from the Memorandum of Understanding 'both in letter and spirit and it does not look to us as if we could earn under it our minimum gold objective'. It was evident that the South African negotiating position was based on a policy decision that could not easily be changed. Baring saw four alternatives for his government.

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- 138 -
First, it could accept the existing South African proposals. Second, an approach could be made at the ministerial level in the hope of securing some improvement. Third, the British government could press for a return to the original scheme. And, fourth, it could 'wave a big stick'. British representatives in the Union saw 'great difficulty' in any attempt to return to the original scheme. They saw the choice as lying between accepting the existing proposal and making a ministerial approach. Baring thought that those concerned in Whitehall 'will wish to consider carefully' whether they

would in fact be prepared to impose economic sanctions of any kind against South Africa. The political consequences of sanctions would be so serious to the United Kingdom as well as to South Africa that my personal view is that we should avoid taking such a step at almost any cost, especially as there will in any case be trouble with the Union Government over the High Commission Territories.[21]

The high commissioner's concern to protect the Territories (which were his own administrative responsibility) thus impinged directly on the formulation of British in this episode of financial bargaining.

If there were any illusions in Whitehall about the British ability to use the 'big stick', the treasury did its best to dispel them. It was 'enormously important', wrote Flett of the treasury, 'to get our minds clear about the extent to which we could in fact use the big stick'. The stick had two 'knobs' on it: cutting off non-essential imports from the Union, and cutting off South Africa from the London capital market. The first could not be used in 1950 since Britain

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21. DO 35/3520, Baring to CRO, 16 Nov. 1949.
was already committed to import £12m of non-essentials. It could be applied in 1951 'without doing ourselves very much harm except sacrificing some valuable imports of citrus fruit'. This would 'undoubtedly hit the South African Government disproportionately hard'. The second was the 'real crux of the matter'. 'If we could do it, it would hurt South Africa very hard indeed'. Unfortunately, it would 'almost certainly hurt us considerably'. South Africa held a 'valuable hostage' in the form of British gold mining investments. Expropriation could be threatened or dividends withheld. Moreover, the Bank of England believed that real control over the flow of capital to South Africa would, in effect, involve her exclusion from the sterling area. This 'might also mean departure of South Africa from the Commonwealth with all the political and strategic results of such a step'. The agreed official line in Whitehall was that there could be no question of using the big stick 'unless and until our relations with South Africa are very much worse than they are at the moment'.[22]

There seems to have been considerable reluctance in Whitehall to fully accept Baring's calls for a softer British line. British negotiators were instructed to insist that the Union automatically sell to the Bank of England the Union's total gold output, except for the amounts required for South Africa's reserves and for purchases of dollars in New York. Furthermore, South African import controls were to be so arranged as to ensure that Britain earned not less than £37m

of gold each year. Fulfilment of the guarantee to sell a minimum quantity of gold to the Bank of England had to be 'first call' on the Union's reserves. [23]

Whitehall's insistence on a relatively hard line seems to have paid off. A letter from the deputy British high commissioner to Havenga confirmed that the Union government should endeavour to ensure that Britain obtained its minimum objective of £72m of gold a year. The Union also undertook to limit its hard currency expenditure as far as possible. When pressed, the minister of finance had demonstrated his belief in the value of close financial collaboration with Britain. The essential features of Havenga's agreement with Gaitskell had been reconfirmed. This was more than Baring had thought prudent to seek, but fell somewhat short of the treasury's full objectives. [24]

Some National Party ministers could not be reconciled to the agreement. Louw travelled to London in the summer of 1950 to strike a new bargain. Worries were expressed in Whitehall that the British government could find itself in a poor situation if Louw were determined to be unco-operative. The Bank of England emphasised the need to educate Louw to see the value of close financial collaboration. He had to realise that holding the South African market open to a 'free for all' competition among exporters was not in the Union's long-term interests. Gold earnings from South Africa

23. DO 35/3520, C.E.A.(49) 16th meeting, 28 Nov. 1949.
were of such 'vital importance' not only to Britain but to the international monetary system of the whole sterling area and non-dollar world that Britain could not consent to exposing the Union to concentrated American competition. Flett repeated an earlier warning that the British government must 'be under no delusions' that if, contrary to expectations, Louw should prove 'obdurate and unreasonable we could secure South African acquiescence by retaliatory measures'. In theory, if it came to this point, 'we could hurt South Africa badly by such things as a reduction in our imports of her fruit and wine' and the denial of free access to the London capital market.

In practice there is nothing we could do that would not either politically or economically harm us as much, or more than, it harmed South Africans. It is unlikely that the South Africans are aware of the intrinsic weakness of our position. In any case we must hope that Mr. Louw will be prepared to take a fair-minded view of what constitutes a satisfactory agreement.[25]

In face-to-face meetings with British ministers Louw was not as unco-operative as some officials had feared. He agreed to increase the gold guarantee from £37m to £50m. Britain would, however, have to face 'the full draught of American competition' to earn the

25. T 236/2642, note by Flett, 30 June 1951.
additional gold needed to meet its annual objective of £70m. [26]

The underlying basis of the agreement was the balance between South Africa's need for capital and Britain's need for gold. The Union government believed that until large-scale developments in gold mining and in the provision of power and transport had been completed, the country's import requirements, particularly of capital goods, would continue to exceed its current exchange earnings by £40m to £60m. An inflow of external capital therefore remained vitally important. South Africa's dependence on British capital was intensified by the reluctance of investors within the Union, in the United States, or elsewhere to face the speculative risks involved in developing new South African mines. [27]

The advantages conferred to South African agricultural exporters by British preferential tariffs were a special South African concern.

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26. This agreement was set out in letters exchanged between Gaitskell and Louw on 1 Aug. 1950. R. Ovendale, The English-speaking alliance: Britain, the United States, the dominions and the Cold War 1945-1951 (London, 1985), p. 258. The British government conceded that changes to the Memorandum of Understanding were needed to make Anglo-South African financial arrangements more acceptable to GATT and IMF signatories. As a British brief recorded, the Union 'had been under fire in U.N.O. and elsewhere to such an extent that she wished to avoid external criticism over her economic policy'. DO 35/2672, brief for Gordon Walker, Dec. 1950.

27. DO 35/2672, brief by Snelling, 3 Dec. 1950. External investment was essential but so too was the availability, at reasonable prices, of the required imports of capital goods. South Africans saw that Western rearmament, intensified after the outbreak of the Korean War, would increase the demand for such goods. At the Commonwealth trade meeting in September 1950, Havenga emphasised the importance to the sterling area and the world economy of not allowing rising prices to adversely affect South African gold production. A 80/9, note for Havenga; RG 19, vol. 572, file 152-17, 21 Sept. 1950.
Those tariffs could not, however, be dealt with on an Anglo-South African basis. They formed only a small part of a much larger issue of the future of imperial preference. Continued pressure for the reduction of these preferences was expected at the GATT meeting in 1950. Havenga noted that the Union had 'foregone many advantages in undertaking her obligations under G.A.T.T.' She had surrendered a number of preferences in 1947 as a result of United States demands, but had received little in return. Further reductions in British preferences for South African imports could only be conceded at 'considerable sacrifice to South African exporters of wines and fruit who still depended largely on the United Kingdom as a market for their products'. [28]

By 1951, some ministers in the Malan government had begun to wonder whether the benefits of GATT membership were worth the cost. Discrimination against South African exports by western European countries was a particular concern. [29] In an effort to restrain the ministerial desire to threaten withdrawal from GATT, Union officials pointed out that, apart from the unfavourable reaction of other contracting parties to such a move, there were practical issues at stake. First, the expansion of Union influence in Africa would not


29. In that year the Organisation for European Economic Co-operation put forward a proposal for a new preferential trading regime in western Europe. The Union government vigorously opposed this. If the proposal were implemented, the Union 'would seriously have to consider withdrawing from G.A.T.T.' A 80/1, Steyn to Forsyth, 22 March 1951, and Forsyth to Steyn, 27 March 1951.
be assisted. The withdrawal of 'the most important economic unit in Southern Africa' and the country to which 'the other territories look to for leadership' would have an adverse effect on official and commercial opinion in Africa. Officials in the Union department of commerce and industries thought that this was presumably of special interest in view of the Union government's plans for closer economic co-operation in southern Africa as expressed by Louw in a memorandum in May 1950. With the exception of the Portugese colonies, all territories south of the Sahara 'of any appreciable commercial importance' to the Union were within GATT. The customs union with Southern Rhodesia was a further complication. Southern Rhodesia would be obliged to comply with the rules of GATT, but if the Union withdrew it would have no direct voice in GATT discussions of the customs union. The attitude of other Commonwealth countries in the event of Union withdrawal was thought to be complex and difficult to predict. They might insist on the restoration by the Union of pre-1947 preferences, while they themselves would argue that GATT prohibited them from doing the same. Furthermore, withdrawal 'might well be unsympathetically viewed in the United States'. The secretary to the department of agriculture added that in GATT, the Union had 'a certain amount of collective security as regards the numerous trade discriminations which exist'.[30] GATT, as a force for free trade, would tend to expose South African industry to fiercer international competition. At the same time it would help to open up Africa to

30. A 80/2, minute by the secretary of commerce and industries, 16 June, 1951.

- 145 -
regional dominance by the Union.[31]

The Malan government's recognition that it must remain within GATT can only have increased its desire to remove, from the Union's own system of import control, the sources of criticism which left South Africa on the defensive in relations with some other GATT members. In the summer of 1951, the Union government sought another revision in its financial agreements with Britain. A new agreement was reached while Louw was in London for the Commonwealth Supply Ministers' Conference. The 1950 agreement contained a formula which prevented abnormal movements of soft currency capital into the Union from ruining Britain's chances of earning its gold objectives. South African representatives were told that it would be 'particularly unfortunate' for Britain to be asked to give up the formula and the support it gave British chances of getting gold 'at a time when we are running into serious difficulties in our dollar balance of payments'. Neither South African officials nor Louw himself could be persuaded to retain the formula. Despite an assurance that 'no-one on our side regarded the guarantee as a means of extracting over any

31. In particular, South Africa could use GATT to increase the pressure on Southern Rhodesia to advance, as rapidly as possible, towards a full customs union. The British high commissioner to Southern Rhodesia suggested, in 1952, that it would 'seem desirable to give the Southern Rhodesians such support as we can and to try and moderate any pressure from GATT' for the immediate consummation of the customs union agreement. The contradictions of the British position were never clearer. There could be 'no question of the United Kingdom taking the side of one Commonwealth country against another'. On the other hand, 'the gradual economic encroachment of the Union on Southern Rhodesia has a direct effect on British trade, and therefore on British influence.' T 236/3283, Smedley to O'Brien, 26 June 1952.
long period gold which we could not earn', a British proposal for a guarantee of £55m or £60m was rejected. In the agreement reached with Louw, Britain had to rely, in meeting its gold earning objectives, on its competitive position and on the manipulation of South Africa's import system in Britain's favour.[32]

In the event, it was Havenga's co-operative attitude rather than the precise clauses of any written agreement which prevented British gold earnings from deteriorating badly in 1951. Havenga believed that there could be 'no doubt that our gold sales to the Bank of England would have been considerably smaller had we carried out strictly the scheme as outlined to the Contracting Parties' of GATT. Despite the decline of its competitive position, Britain managed (with South African help) to earn a net total of $179m of gold in 1951. (This was only marginally less than $199m earned in 1950.) Without the active and positive co-operation of Havenga it seems clear that the decline of Britain's hard currency reserves during 1951 could have been made substantially worse by the Union government doing no more than adhering strictly to the terms of its financial agreements.[33]

The British government had little room for manoeuvre, in the financial sphere at least, in implementing the policy expounded by Gordon Walker of containing South Africa. Events had shown that


33. A 80/12, Havenga to Butler, 1 Feb. 1952.

- 147 -
Britain's ability to meet its gold earning objectives was heavily dependent on the existence of a strong spirit of co-operation on the part of at least some senior South African policy-makers. Beyond the need to foster South African confidence in British intentions, there was the specific British obligation contained in the Memorandum of Understanding (and in its successive modifications) to ensure that capital for useful economic development continued to flow to South Africa. The British treasury conceded that in an effort to 'keep Southern Rhodesia out of the South African orbit', 'we should do what we can to see that capital goes to Southern Rhodesia'. But, wrote Stone of the treasury, 'what more can we do?' It was up to Southern Rhodesia 'to emphasize the desirability of the country as a place for investment'. It was 'extremely difficult in all circumstances' for the treasury to issue instructions to the capital issues committee to judge South African cases by criteria stricter than those applied to other Commonwealth countries. 'All we can do', the CRO was told, 'was assure you that we have the right "attitude of mind" towards the problem and we will do our best in the limited field in which action is possible'. The British government was simply not powerfully enough placed financially to permit its government to use economic means to advance the geopolitical aim of containing the Union.[34]

34. CAB 129/45, CP(51) 109, 16 April 1951; T 236/4645, note by J.C. Stone, 24 May 1951 and Potter to Snelling, 2 June 1951.
The British government's success in striking a profitable financial bargain with the Nationalist government in South Africa was due in large measure to the fact that, despite any apparent weaknesses, Britain could still on occasion drive a relatively hard financial bargain with any member of the Commonwealth. Those strengths were Britain's ability to provide first, a market for agricultural goods (something of disproportionate political significance in the each of the old dominions); and second, capital funds and goods which in the case of South Africa were unavailable in sufficient quantity from elsewhere. On the other hand, the British position was not so strong that collaboration with the Union could be sustained by offering anything less than full co-operation in South African economic development. In practice this meant treating the Union at least as favourably as any other dominion. This in turn allowed the Union to gain, at times, the full benefits of sterling area membership as well as the special treatment accorded to hard currency countries such as Canada. Offered anything less, the Nationalist government would not have been willing to run the risks of ensuring that Britain earned a large proportion of South Africa's gold output. These risks were not inconsiderable. Controls might lead to higher import prices and an increased cost structure. This would be especially damaging in the Union economy where the dollar price of its main export was fixed. Furthermore, the Union government's international standing would suffer from violations of GATT and IMF rules. As it was, the Malan government committed itself to close economic co-operation with Britain because Havenga, recognising from his own experience the
value of close co-operation with Britain, was a willing collaborator who could show his ministerial colleagues that Britain would do all in her power to assist in the Union's economic development.
Chapter 2, part 3

Defence relations, 1948-1951
The fear of communism and the desire to fend off charges of isolationism meant that the Malan government could not afford to shun Britain - the Union's closest military ally. The Nationalists were, however, committed to a policy of subordinating, within the Union, British influence and prestige in the military and every other sphere. Here lay the central contradiction within Nationalist defence policy. The aggressive promotion of Afrikaner interests also heightened a contradiction in Britain's global Cold War strategy. A close defence relationship with a government preaching white supremacy was incompatible with the attempt to claim the moral high ground in mobilising Asians, Arabs, and Africans in the struggle against communism and Russian expansion. The challenge faced by the Attlee government was to induce the Union to make an effective material contribution to Cold War without giving the appearance that Britain was upholding South African racial policies.

The South African contribution to the Berlin airlift was an early indication that the Nationalist government might be less isolationist than some observers might have anticipated. Could this shift away from isolation be channelled into a firm commitment to the defence of territories beyond the Union's borders? South African participation, alongside the United States, in the airlift, and Canada's apparent

1. In Whitehall it was noted that 'From the point of view of Commonwealth co-operation in defence the advent of the Nationalist Government at first sight may appear to constitute a setback.' There were, however, 'grounds for hoping that as practical men they may come to see that the interests and safety of South Africa will require some measure of understanding on defence between the United Kingdom and the Union'. DO 35/2752, 27 Sept. 1948.
willingness to accept external defence commitments as part of the North Atlantic Treaty, led to the recognition on the part of some policy-makers in Whitehall that dominion military power could most readily be mobilised within a framework that included foreign (i.e. non-Commonwealth) powers. Elsewhere in Whitehall, some ministers and officials clung to the notion that dominion military resources could and should be organised on a Commonwealth basis.[2]

The Malan government undoubtedly would have been repelled by any exclusively Commonwealth defence scheme. An arrangement for the defence of Africa along the lines of the North Atlantic Treaty would have been infinitely more attractive. A defence pact which included the United States or colonial powers other than Britain would appeal to Afrikaner Nationalist sensibilities. The inclusion of Britain would ensure the support of English-speaking South Africans.

Southern Africa was the clear focus of concern for those Union ministers and officials who were concerned with external policy. An appraisal of South African policy, prepared before Smuts's defeat but accepted by the new ministers, acknowledged that the Union's destiny

2. A.V. Alexander, the minister of defence, wrote that the 'Commonwealth taken as a unit, if, and only if, properly organised to act quickly together, is perhaps better placed defensively - because of geographical dispersal - than either Russia or America'. His proposal for an approach to the Commonwealth prime ministers, who were to meet in London during the autumn of 1948, drew the warning from Noel-Baker that the theme of 'intensive Commonwealth planning' must be treated with care in view of the strong susceptibilities on this matter of Mr. Mackenzie King (and probably the new South African Government). FO 800/453, brief prepared by Alexander, 6 July 1948; and Noel-Baker to Attlee, 8 July, 1948.
was 'bound up with the European democracies' and that it hinged 'on the possibility of war with Russia'. The Union's most effective contribution to European security could, nevertheless, be made in Africa. Increasing British commitments in Europe would entail 'acceptance by the Dominions, in their own areas, of a greater measure of responsibility for the maintenance of economic and military security'. Western European policy was seen to be developing towards the establishment of Africa as a 'raw material supply base and a strategic sheet anchor'. South Africa was in a position to play 'a major role in these developments'. Unless she did so, some of the policies followed might prove 'gravely detrimental to her interests'. In the military and security sphere, 'the Union's geographical position and her material resources justify a specific role in the evolution of arrangements for regional security, more particularly for the defence of Southern Africa and the Southern Indian Ocean and South Atlantic trade routes.'[3]

Other than voicing South African support for measures designed to strengthen the West in the Cold War, the Malan government seems to have been uncertain about how a collective security agreement for Africa could be initiated. Statements by government representatives that the Union wished to join the North Atlantic Pact were undoubtedly intended to do no more than draw attention to South

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Africa's general interest in collective security.[4]

Malan's statement to the South African parliament in March 1949 that the Union was waiting for an invitation to join the North Atlantic Treaty met with surprise in Whitehall. Through Anthony Hamilton, the political secretary at South Africa House, it was learned that the Union government did not in fact expect such an invitation. What interested the Union was a South Atlantic or an African Pact.[5] The somewhat muddled state of South African thinking was revealed to Baring by Malan who said that the African pact that he desired would be 'something separate yet linked to the North Atlantic Pact'. Malan indicated that it would be easier for the Union government to defend its participation in a war against the Soviet Union if it arose from an international agreement rather than from membership of the Commonwealth.[6]

4. In October 1948 it was, on the other hand, noted in the South African department of external affairs, possibly by Te Water, that 'Atlantic Union is imminent - and Canada and South Africa are the next obvious members of such a Union.' During a visit to Washington, Charles te Water, the Union's 'ambassador-at-large', suggested that the Union might become a party to the North Atlantic Treaty. Failing that, there could be a South Atlantic Pact. Neither the American nor the British government was inclined to take Te Water's approach seriously. The impression in the foreign office and the CRO was that the Union 'would be unlikely to accept any defence commitments outside the continent of Africa, indeed in the view of our High Commissioner there, they will probably wish to confine their responsibilities to Southern Africa.' A 78/4, external affairs policy review, Oct. 1948. DO 35/2752, Hoyer Millar to Jebb, 3 Jan. 1949 and Shuckburgh to Hoyer Millar, 8 Jan. 1949.

5. This was clear from an extract from Die Burger (the newspaper that was recognised to be the mouthpiece of the National Party) that was sent by Hamilton to the CRO.

The importance of making a positive response to these South African overtures was recognised in Whitehall. The foreign office discussed the possible association of South Africa with an international collective security agreement. The time was not thought to be ripe for a pact covering the Middle East. Malan seemed to have in mind a pact exclusively amongst European colonial powers and the United States. Such a pact 'would be bound to arouse the hostility of Middle Eastern countries not to mention India'.[7] It was evident that 'if we want her collaboration in defence, we must promote a pact of which she can be a member'. Within the foreign office, an African pact was not thought to have a raison d'être. On this subject, the views of the colonial office and the CRO were more forthright. Speaking for the colonial office, Andrew Cohen said that such a pact presented many difficulties because of the 'fundamental difference in the policies of the Colonial Office and the Union Government, in particular, over the question of arming native troops'. Furthermore, there would be 'grave political objections in African territories to such a Pact'. The CRO saw two additional obstacles. The governments of some foreign powers such as Belgium were likely to raise difficulties. Moreover, there was a risk that any pact exclusively among the European powers represented in Africa, backed by the United States, 'would be bound to arouse the hostility of Middle East countries' and would 'almost certainly' lead to 'renewed complaints on the part of India that the European powers were forming a further

7. DO 35/2752, Denning to Syers, 14 April 1949.
bloc in their own interests'. This might prejudice collaboration in south-east Asia. These objections might be lessened if Egypt and Ethiopia were included in a pact, 'but even so, they would not vanish all together'. The best course, it was agreed inter-departmentally, was for Britain to do nothing.[8]

In the event, it was Douglas Forsyth, the secretary to the Union department of external affairs, who approached the British government about the possibility 'which was very much in his Prime Minister's mind and his own', of convening a conference in Africa of representatives of those European countries which had territories in Africa south of the Sahara. (This line of demarcation was intended to exclude Egypt, Ethiopia, and Spain.) The conference would discuss the 'militarization of natives'[9] and mutual defence in Africa. Forsyth hoped for a discussion of 'native policy', but he recognised that the time was not perhaps ripe. Malan was, he said, 'fully aware of the extreme importance of not entering into any conference on those topics at which the United Kingdom Government and the South African Government spoke with divergent voices'. For this reason, Forsyth requested that a preliminary discussion of these subjects be arranged

8. DO 35/2752, note of meeting, 21 April 1949.

9. Discussion of the 'militarization' or arming of natives would, Forsyth was told, 'present considerable difficulties' in view of the manpower shortages faced by the European colonial powers. He said that arming of natives with spears was the limit so far as the Union was concerned.
between Malan and the foreign secretary, Ernest Bevin.[10]

In a meeting with Bevin, Noel-Baker, and Listowel, Malan set out his views on the Atlantic pact, the defence of Africa, the militarization of Africans, Asiatic immigration, and African co-operation in general. Bevin explained the impossibility at that time of inviting the Union to join the Atlantic pact. Malan accepted this, but 'emphasised his conviction that South Africa was essential to the successful working of the Atlantic Pact, and to the Middle East, and his hope that in some way she might soon be brought into the collective security system'. With respect to African defence, Bevin thought that it would be wise to build slowly on the basis of co-operation in scientific research which had already begun. The South African prime minister emphasised the dangers of arming the natives by pointing out that conscription had led to a large-scale revolt in Madagascar after the Second World War. Malan concluded the discussion by asking that the 'grave anomaly' of British control of

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10. DO 35/2752, note by Leisching, 26 April 1949. Anthony Hamilton revealed that if the British government gave any encouragement, an approach on an African pact would be made to other colonial powers. He thought that his government's objective was to 'secure a co-ordinated approach to the question of the natives. Security would be a secondary consideration.' The Canadian representative to whom Hamilton had spoken thought that 'the South Africans have only the faintest chance of convincing the United Kingdom Government to participate in an African pact, if its primary purpose is to secure the implementation of a native policy palatable to the South Africans'. 'In fact', the Canadian official went on, 'it seems to be one of the primary concerns of the Colonial Office to keep South African ideas vis a vis the natives out of Central Africa'. RG 25, A 12, vol. 2093, file AR 34/4, Ford to Heeney, 31 May 1949.

the High Commission Territories be brought to an end.[11]

Although British ministers were anxious not to discourage South African interest in collective security, there were deep concerns in Whitehall about the implications of Union involvement in African affairs. The colonial office recognised that co-operation with South Africa was 'accepted policy'. The Union's resources, industrial development, and large white population made it 'inevitable' that South Africa would play a leading part in African defence. Officials saw, however, that there was a contradiction in British policy that had to be squarely faced. On the one hand, the British government wished 'to remain on terms of close friendship with South Africa and we need South African help both in the defence of tropical Africa and in solving the technical problems of African development'. On the other hand, 'our political approach to African problems is fundamentally different'. Any policy of close co-operation with South Africa in dealing with purely west African problems would be unacceptable there. In east and central Africa there was 'a danger that South African influence might be used against the policy of His Majesty's Government in the United Kingdom for the advancement of the African inhabitants'. Officials in the foreign office and the CRO were in general agreement with the colonial office assessment that in all technical matters the British government must continue to co-operate to the closest possible extent with the Union.[12] There should not, however, be discussion with the Union of the issues on

12. Noel-Baker also agreed with this, as did Baring.
which there were 'fundamental differences' between South African and British policy. These were: immigration; the 'arming of natives'; and 'native policy' generally. Any attempt to reach agreement on these subjects would be 'futile, and indeed harmful'. Nevertheless, it was important that 'South Africans should know both what we are doing in our African territories and understand, even if they do not agree with the reasons for our policy.' The British government was thus anxious to promote defence co-operation with the Union, but the less this impinged upon the internal affairs of British territories in Africa, the better. [13]

Regardless of the problems thrown up by South Africa's repugnant racial policies, finding a way of convincing South Africa (and the rest of the old Commonwealth) to relieve some of the burden of Britain's world-wide defence commitments remained a pre-eminent objective in many British minds. [14] The CRO warned that it did not follow that 'because our links with the four older Commonwealth


14. The British ministry of defence proposed a high-level mission as a means of stimulating the efforts of the three old southern dominions. The initial reaction of the CRO to this was a warning that 'it was necessary to be very cautious in dealing collectively even with the four old Commonwealth countries'. They had been 'growing more and more different from each other' and they 'did not relish being lumped together in approaches by the U.K.' Another factor was that, except in the case of Australia and New Zealand, 'each of the four was far more interested in its relationship to the U.K. than its relationship with any of the other three'. Both the substance and the form of the approach would have to be carefully worked out for each country individually, 'i.e. it must be a tailored article - ready-made would not do!' DO 35/2277, note by James, 2 Nov. 1949; CRO paper, 29 Nov. 1949.
countries were not formally enunciated in black and white, they were any the less real'. In peacetime it was 'natural for the Governments in each Commonwealth country, given the old history of subordination to Downing St, to take the greatest possible pains to to emphasise their independence'. Despite this, progress had been made in 1949. The New Zealand government had made a commitment to place its forces at Britain's disposal at the outbreak of hostilities. Defence talks had been held in South Africa and Australia. In both those dominions it had been possible to discuss, at the level of the armed services, the type and size of forces which might be available for the Middle East in the event of war. Given the difficulties involved, this was 'by no means unsatisfactory'. It provided 'a most useful foundation on which to build more ambitiously later'.[15]

At the ministerial level, considerable impatience had developed concerning the absence of any material defence contribution by the dominions. Noel-Baker acknowledged his colleagues' hope that the dominions would 'take on more responsibilities, or pay the U.K. to do the job'. 'This', he wrote, 'is an old story, and not very realistic'. His 'profound belief' was that Commonwealth countries would not undertake military commitments except in a general international treaty against aggression.[16]

A formal discussion of defence at the Commonwealth Conference in

15. DO 35/2277.

Colombo was thought to be unwise. The situation was delicately poised in South Africa as well as in Australia. The 'vital importance of the defence of the Middle East' could, however, be explained in an informal approach by Bevin. The timing and emphasis of any subsequent approach would have to be carefully considered. (Baring advised that because of the 'nationalist ferment' generated by the Voortrekker celebrations, it was undesirable to raise any major question with the Union government for some months.) Above all, the CRO warned, the British government had to be 'most careful not to undermine by premature publicity the efforts of our friends in the Commonwealth services to persuade their Governments to commit themselves'.[17]

Operating through contacts with South African service staff may, as the CRO emphasised, have been vital in the fostering of defence collaboration. If this really were so, it was an indication of how vulnerable were the British government's collaborative links in the defence field. Almost from the moment that the National Party had gained power, minister of defence F.C. Erasmus had devoted 'a very large part of his energies to the undisguised "Afrikanerization" of the Defence Forces.' He refused to send Union defence force officers to courses in Britain. The process of replacing key personnel with 'National-minded' Afrikaners was 'revealed in spectacular fashion' by

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17. DO 35/2277, 24 Nov. 1949.
the effective dismissal of the Chief of the South African General Staff.[18] British representatives reported that, at times, it seemed difficult to reconcile Erasmus's 'apparent hostility at home to all things British' with his 'apparent willingness to co-operate with the British outside of South Africa's borders'.[19]

The deterioration of the South African armed services provoked concern at the ministerial level in Whitehall. The office of the British high commissioner in the Union advised that the British government could not intervene directly to stem Afrikanerization without 'provoking resentment sufficient to produce a result opposite of that which we desire'. Instead, close touch could be maintained with Union defence authorities. They could be encouraged to visit the Middle East and taken as far as possible into Britain's confidence. 'As they realise the greatness of the threat to Africa they may gradually become unwilling to damage efficiency by a very violent rush towards a purely Nationalist Defence Force'. Defence co-operation thus took on the dual role of mustering forces for the Cold War as well as of restraining Afrikanerization.[20]

18. Baring thought that it would take 'a considerable time before we are able to get back to the relationship which has been reached before Beyers' resignation'. DEA, file 6438-40, McGill to Pearson, 25 Sept. 1950; FO 371/76351, Baring to Noel-Baker, 15 Oct. 1948; DO 35/2752, James to Rumbold, 6 Feb. 1950.

19. The election in South-West Africa was taken as an opportunity by Erasmus to sneer at the Royal Navy's 'women's jumpers, funny bell-bottomed trousers and saucer shaped hats'. DO 35/2752, James to Rumbold, 6 Feb. 1950; CO 537/5710, extract from The Scotsman, 6 Sept. 1950.

20. DO 35/2671, high commission, Cape Town to CRO, 8 May 1951.
The Nationalist desire to remove the remnants of Britain's imperial presence in South Africa led Erasmus, in 1949, to initiate discussions on the transfer of the Simonstown naval base. Britain was, at that time, in the midst of a balance of payments crisis. In Whitehall, there were suggestions that the base should be surrendered to effect a financial saving. Officials in the CRO pointed out the serious objections to such a move. The agreement, reached between Smuts and Churchill in 1921, gave Britain the rights of 'perpetual user'. The unilateral surrender of these rights in return for promises of goodwill was apt to result in disappointment as had been the case with the Irish ports.[21] The CRO advised that even if there were compelling strategic or financial reasons for abandoning Simonstown, a South African concession should be sought in return. As it was, Simonstown had been 'invaluable' as the Royal Navy's only effective base in the South Atlantic. The British government's position was strengthened by the Union government's 'scrupulous observance' of the agreements. If transferred, there was no assurance that the Nationalist government would undertake a public commitment to make the base available in the event of war. Furthermore, in such an event, Malan and Havenga might be 'swept away by a government of more extreme Nationalists' which would remain neutral. Finally, the CRO asked, would the British government 'be wise, at a time when our friends in South Africa are in the doldrums,

21. The ports surrendered to the Irish Free State in the 1930s were, to the British government's dismay, unavailable to the Royal Navy during the Second World War.

- 163 -
to blow this favouring puff on the sails of those who, whatever their merits, are less close to us?' In short, unless a South African approach forced the British government to discuss this matter, 'it would be preferable to retain the substance and not risk it for the shadow'.[22]

Before Simonstown was discussed with Erasmus in London, the advice of the British high commissioner to the Union was sought. Baring thought that the Nationalists would represent transfer 'as the snapping of another link with the United Kingdom, as another step towards separate nationhood and as a triumph which the United Party had been unable to gain'. Baring did not suggest that 'we should not in any circumstances transfer Simonstown in the future'. The British government should not, on the other hand, make any offers.[23]

British ministers evidently concurred with Baring's judgement. Speaking to Erasmus, A.V. Alexander emphasised that the Simonstown issue was not ripe for further active discussion. Much would depend on the progress made in building up the South African navy. The Union minister of defence was told that a guarantee of the base's availability to Britain in wartime was 'absolutely essential'. From the start, the British government attempted to tie together the issues of Simonstown's transfer and South Africa's military preparedness with regard to both naval and Middle East defence.

Alexander asked if joint planning could proceed on the assumption that a South African armoured division would be available for the defence of north Africa. Erasmus 'made rather heavy going of this'. Politically, he did not see how a promise on this could be given.[24]

While the Nationalist government was clearly anxious to align itself firmly with the West in the struggle against communism, it was no more willing than the Smuts government had been during the war to fund fully the South African military effort. During 1950, at least, the Union government continued to believe that military equipment could be acquired on the cheap, if not from Britain, then from the

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24. FO 371/76352, Alexander to Addison, 2 Aug. 1949. Lord Addison, the Lord Privy Seal in the Attlee cabinet, suspected that the Union government was likely to raise the Simonstown issue again. Drawing on his considerable experience of dominion affairs, he set out his views. He assumed that Simonstown was 'strategically essential'. Politically, the base was 'of immense, though not so easily calculable, benefit to us and the presence of the Royal Navy there is one of those imponderables which would make it just so much more difficult for the Union to remain neutral in any emergency in which the United Kingdom might become involved'. Addison agreed with Noel-Baker's suggestion that if Britain were compelled to make a fresh agreement, a solution might be found which brought in the United States. In any case, thought Addison, Britain's rights as a perpetual user had to be preserved. (Bevin opposed bringing in the United States. The negotiations on the North Atlantic Treaty had nearly foundered on American opposition to the inclusion of French north African colonies in the Treaty.) FO 371/76352, Addison to Alexander, 1 Sept. 1949 and Bevin to Addison, 24 Oct. 1949.

- 165 -
The British government had little to offer as an alternative to the African defence agreement being sought by the Union government. In 1950, Erasmus made it clear that a certain amount of African defence co-operation was essential if Union forces were to be sent to the Middle East. It was agreed inter-departmentally in Whitehall that a conference on African defence could be held provided that the

25. Erasmus reportedly said to South African representatives that 'We are in the British Commonwealth family. We shall have to work with and get equipment from them and we must be good friends with them'. Britain was expected to provide 'stockpiles' of tanks and aircraft to be paid for by some 'lend-lease' arrangement in the event of their ever being required. Whatever else the British government might have been willing to do to sustain the Commonwealth link, it was not prepared in the 1950s to pay for South African military equipment. The Canadian view was that Erasmus had gone to London and Washington looking for 'something for nothing or very little' and had come away empty-handed. If nothing else, the visit to the United States demonstrated to South African policy-makers themselves that the Union would be treated more favourably by Britain than any other country in defence matters. General du Toit was impressed by the readiness of everyone in Britain to tell him and his party, as members of the Commonwealth, everything they wanted to know. This was in contrast to the secretiveness shown by American representatives in Washington who, though polite, had treated them as foreigners. DO 35/2671, Rumbold to CRO, 24 Aug. 1950; DEA, file 50084-40, 23 Dec. 1950; DO 35/2671, 17 Oct. 1951.

agenda were confined to 'technical items such as road and rail facilities, use of ports and signal communications'.[27]

The British government grudgingly accepted an African defence facilities conference, in which the Union would be involved, in order to ease South African difficulties in making a commitment to Middle East defence. The assertion that a regional defence treaty for Africa never materialised because of South Africa's unwillingness to see black Africans bear arms can now be seen to be false.[28] The explanation for the Union's failure to find an African defence pact lies in the repugnance with which South African racial policies were regarded throughout Africa, Asia and West. In any case, Erasmus made clear, during his defence talks in London 1950, that the Union government would make no objection to the use of 'Colonial troops' by

27. DO 35/2752. The June 1951 Commonwealth Conference was not, as Nolutshungu has written, where it was decided that the Union government and the United Kingdom should take the initiative in convening a conference of African powers to discuss the defence of Africa'. S. Nolutshungu, South Africa in Africa: a study in ideology and foreign policy (Manchester, 1975), p. 65. The British cabinet defence committee agreed in principle to attend such a conference in October 1950. CAB 131/11, DO(51)4.

the British and other governments in African territories outside the Union.[29] There were never any serious British intentions to form a regional alliance in Africa as Darby has supposed.[30] Also in need of revision is Spence's more qualified assertion that South Africa's presence, in the early 1950s, at discussions of defence problems in the Middle East and Africa 'was by and large taken for granted by Britain and other powers'.[31] British wariness of Union involvement in African affairs was the reason why the agenda of the Nairobi conference in 1951 was so carefully restricted. Chester Crocker's suggestion that the defence of European imperial authority in Africa was a rationale for military co-operation with South Africa seems misleading.[32] It was precisely because defence co-operation with a country practicing such repugnant racial policies might undermine this authority that European powers were reluctant to align themselves more closely with the Union in defence. The rationale for defence co-operation was the need to muster South African forces for the defence of the Middle East.

Even the Canadian government was worried about the repercussions of


30. Darby, British defence policy east of Suez, p. 67.


South African involvement in African defence. The Commonwealth division of the department of external affairs in Ottawa thought that the British government was faced 'with a choice between buying military aid' and sacrificing 'political principle'. Apart from opinion in Asia, the 'native populations' in Africa, and particularly in west Africa, were 'likely to be exercised by a U.K.-South Africa alliance for the defence of the continent, as this would obviously provide a means for the Union to expand its influence there, not only in military matters but also in economic and possibly political affairs, on the grounds of its role in "African defence". A military alliance with the Union 'with all that this would bring in its train, might tend to make the African more inclined to be sympathetic to overtures from Soviet Russia as being the only country which properly understands his nationalist aspirations'. [33]

Of more direct concern to the St Laurent government in Ottawa was the South African enquiry about purchasing training aircraft from Canada. The Commonwealth division conceded that requests 'of this nature by South Africa cannot be lightly dismissed as protection of the Cape Route is a vital factor in terms of global strategy and the potential contribution of South Africa to the defence of the Middle East is of paramount importance'. Nevertheless, there was 'always the

33. The Commonwealth division suggested to Lester Pearson, the Canadian secretary of state for external affairs, that he might wish to discuss with Bevin the desirability of avoiding an African alliance. If Pearson did in fact raise this issue with Bevin, he was undoubtedly told that the British government was fully conscious of the dangers involved. DEA, file 6438-40, memo. by J.D. Weld, 3 Oct. 1950.
possibility, that lurks in our minds, that South African military activities may be largely limited to controlling and disciplining the African native, either within or outside the Union'. The Commonwealth division felt that for this reason, and because of Canada's primary commitment to NATO defence requests, 'we will no doubt have to give a low priority to South African requests for military equipment'. For the Canadian department of external affairs as a whole, however, the requirements of the Cold War argued for, rather than against, favourable treatment for South Africa. The prevailing view was that the Union's apparent willingness to commit itself to Middle East defence had reduced, to acceptable levels, the liabilities arising out of defence ties with the Union. So it was not only the British government which regarded a contribution in the Middle East to be a crucial feature of defence relations with South Africa.[34]

That Britain should transfer Simonstown in response to a South African contribution to the Cold War seems to have been the unstated premise upon which Erasmus intended to proceed in 1950. While talks held in London on Middle East defence were considered to have been 'a big step forward', Erasmus was told that the British government was not prepared to discuss Simonstown at such short notice. In his discussions with Erasmus, Gordon Walker went no further than to agree to an exchange of letters confirming that the transfer question had

34. DEA, file 50084-40, memo. by A.J. Pick, 14 April 1951, and DEA to Cape Town, 22 May 1951.
been raised.[35]

Erasmus did not let the Simonstown question rest in 1951. A memorandum setting out South African proposals for transfer were delivered to the CRO early in February 1951 in the hope that Gordon Walker might discuss this during his visit to southern Africa. The British government had already decided that if such proposals had not arrived in time for a considered view to be taken before Gordon Walker's departure, he would, if approached, say that more time was required to consider such an important issue. Speaking to British representatives in the Union, Gordon Walker himself said that 'we should "play this long"'.[36] When he discussed Simonstown with Erasmus on 9 February 1951, Gordon Walker emphasised the practical details of transfer in order to show how ill-prepared the Union was to operate a base of this kind.[37]

By the time that the British cabinet defence committee had directly

37. In his own cabinet memorandum, Gordon Walker stated that 'it was rather surprising' that Erasmus 'never raised the question of transfer of this base'. Why cabinet was told this is unclear. In reality, Gordon Walker had deliberately forestalled discussion of transfer when Erasmus raised the issue. DO 35/2671, Gordon Walker to Liesching, 9 Feb. 1951; CAB 129/45, CP(51)109, 16 April 1951. Ovendale has repeated the misleading version of events given to cabinet. R. Ovendale, 'The South African policy of the British Labour Government, 1947-51', International Affairs, LIX (1983), p. 56; R. Ovendale, The English-speaking alliance: Britain, the United States, the dominions and the Cold War, 1945-1951 (London, 1985), p. 279.
addressed the Simonstown question, Gordon Walker had already unveiled his key memorandum setting out the need to pursue the dual policy of preserving close relations with the Union and containing it. Following on his own advice that ostracism would only weaken Britain's power to deter South Africa from 'foolhardy acts' (such as seizing the High Commission Territories), Gordon Walker advised that it would be 'a mistake to adopt a purely negative attitude since this might provoke pressure which might otherwise be avoided' on Simonstown.[38]

Discussions with Erasmus (who was in London in 1951 for a meeting of Commonwealth defence ministers) went ahead. Erasmus indicated that his government was prepared to accept the four main British requirements. These were: first, unrestricted availability of the base in peace and war; second, maintenance of the base at the existing level of efficiency; third, provision of special safeguards for the Coloured craftsmen and apprentices employed there; and, fourth, transfer through a gradual and not a sudden or dramatic process. The proposal presented to the British cabinet defence committee was that if acceptance of these conditions were confirmed by the Malan cabinet, negotiations should continue. Attlee told his cabinet committee colleagues that the 'outstanding point' was that the base facilities should be available in peace and war, and not only in a war against communism as had been implied in a letter from

38. CAB 129/45, CP(51)109, 16 April 1951.
It was precisely on the point emphasised by Attlee that progress towards the transfer of Simonstown stalled. The Malan cabinet was unwilling to give an unequivocal assurance on availability. In what appears in retrospect as a not untypical reaction, British representatives in the Union suggested the adoption of a softer British line. Rumbold, the acting high commissioner, thought that Erasmus was prepared to go a long way to meet British requirements. Whitehall was asked whether something less than an absolute guarantee of availability in any war would suffice.

Emanuel Shinwell, the British minister of defence, cautioned against concession. He told the cabinet defence committee that the real basis of South Africa's desire to assume control of the base was not prestige, but arose from the issue of neutrality in wartime. 'Their first objective is to preserve their sovereign and independent right to decide whether or not to be neutral'. This right was compromised so long as the Royal Navy could make use of Simonstown in a war in which South Africa might wish to stand aside. Shinwell thought the alternatives to be either 'breaking off discussions forthwith' or being prepared 'to consider some formula which would not meet our full requirements'. His personal view was that Simonstown should not


be given up without 'a firm and unambiguous guarantee in writing that
the base would be available to us in a war whether or not the Union
remained neutral'.[41]

In the absence of Gordon Walker (who was away on his second trip to
southern Africa in 1951), officials in the CRO claimed that their
minister was inclined to support the acting high commissioner's view
that the unqualified assurance being sought on availability was
'politically impossible' for Erasmus. This did not mean that Gordon
Walker favoured transfer without such an assurance, but it might be
better if negotiations broke down on some other issue such as the
administrative direction of South African naval forces or the
arrangements to safeguard the 'legitimate expectations' of 'European
and non-European staff and apprentices' at Simonstown. It was not
only the Malan government that faced imposing domestic constraints
with regard to the availability issue. Attlee was advised by an
official in the prime minister's office that it would be 'politically
impossible in this country to accept anything less than an
unambiguous statement' that the base would be available whether or
not the Union was neutral. In this official's view, the only
immediate solution appeared to be 'to play for time and hope for
political changes' in the Union which would facilitate the
negotiation of a satisfactory agreement.[42]

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41. PREM 8/1361, DO(51)100, 6 Sept. 1951.
42. PREM 8/1361, Mallaby to Attlee, 7 Sept. 1951.
A significant divergence of views had emerged in Whitehall, with British representatives in the Union and the CRO pushing for a softer line. Nevertheless, the British cabinet defence committee affirmed that Britain should insist on a firm guarantee of availability. The importance of the facilities at Durban and Cape Town led the committee to conclude that the object of British policy should be to ensure that the Union did not remain neutral in a war in which Britain was involved. There seemed 'little prospect of obtaining what we wanted from the present South African Government.' It was agreed that the best course was to 'delay dealing with this problem as long as possible'. This would be a delicate operation since it was 'important not to alienate the sympathy of the Union Government over the matter of the defence of the Middle East'.[43]

The British Labour government was willing to contemplate a limited degree of South African involvement in the defence of sub-Saharan Africa, and to discuss Simonstown's transfer, because to do so would further two other British objectives. Of these, the first and most immediate arose from the imperatives of the Cold War. This was to mobilise a South African contribution to Middle East defence. The second objective was geopolitical: the containment of the Union. Some sections of the British government, particularly the office of the British high commission and the CRO, increasingly saw the adoption of

43. CAB 131/10, DO(51)22nd meeting, 10 Sept. 1951.
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43. CAB 131/10, DO(51)22nd meeting, 10 Sept. 1951.
a forthcoming attitude on Simonstown as being essential to the preservation of good relations with the Union. At the time of Labour's defeat in 1951, the cabinet was, nevertheless, certain that Simonstown could only be handed over if all of Britain's requirements were met. A firm guarantee of availability in peace and war was essential.
Chapter 2, part 4

Atomic relations, 1948–1951
The continuing British quest to establish effective atomic collaboration with an increasingly unwilling American partner was the context in which South Africa's possession of uranium had crucial significance for the Attlee government. While Smuts was prime minister, policy-makers in Washington calculated that a serious breakdown of Anglo-American atomic relations would almost certainly obstruct American access to South African uranium. The American fear, in the autumn of 1947, of an impending raw materials shortage (as well as a desire to terminate wartime agreements which gave Britain a veto over the use of atomic weapons by the United States) led the American government to agree to the re-establishment of limited atomic collaboration with Britain and Canada under the terms of the modus vivendi. In the negotiations leading up to this understanding, Britain's bargaining position was based largely on her possession of, and rights to, Congo uranium as well as on her supposed special relationship with prospective Commonwealth sources of supply. Her position was strengthened substantially by the fact that the most promising new source of uranium was located in one of the old dominions, and one which was under a leader who was popularly regarded as one of the chief proponents of the Commonwealth system. Smuts seems to have been willing to assist the British government, both by allowing it to be the primary agent through which the United States would have to acquire South African uranium and by accepting that the Union would, if necessary, provide some the capital needed for uranium mining development. Even so, Smuts's fall seems to have come as more of a shock in Washington than in Whitehall. On 29 May
1948, David Lilienthal, the chairman of the United States Atomic Energy Commission, recorded that 'old Smuts has just been defeated ... by the Nationalists, anti-British, highly nationalistic crowd. What now?' Ministers and officials in London should well have been asking themselves the same question.[1]

Initially, little was known of the Malan government's plans for uranium. The South African ambassador in Washington admitted that he had no idea what effect the change of government would have in this field. Smuts had kept matters almost entirely in his own hands. In those circumstances, no continuity could be provided by South African officials who, by and large, remained in place. British representatives in Washington were advised from Whitehall to 'calm down any apprehension of the Americans about the result of the South African elections.' The view in the cabinet office was that 'the Nationalists were firmly anti-communist'. They did not seem to have an effective majority, and in any case they were 'not likely to neglect the development of South African resources'.[2]

Despite the change of government in the Union, Taverner and Schonland, the South African officials sent by Smuts to discuss uranium contracts in London and Washington, carried on with their


2. AB 16/394, British Joint Staff Mission (BJSM), Washington to cabinet office, 2 June 1948; AB 16/1514, cabinet office to Baring, 29 May 1948.
mission. American negotiators were surprised that Schonland did not ask for 'any of the "political" quid pro quo's which might have been expected e.g. reservation of a certain quantity of uranium for South African needs, exchange of information on development of atomic energy, South African participation in the CDA or the CPC'.[3] It seemed to the American side that 'even with the Smuts Government we should be lucky if we secured firm arrangement on the bases now proposed without any of these points being raised'.[4]

Not until September 1948 were Nationalist ambitions revealed. In that month the South African ambassador in Washington approached the state department asking for United States support 'on certain matters as a sort of quid pro quo for the proposed arrangements for supplying uranium'. This was the start of what appears to have been a crude South African effort to muster support for the forthcoming session of the General Assembly. Whitehall found 'no record of any similar sort of approach having been made to our present Government by the South Africans'. Stewart, an official in the cabinet office, confessed that the South African approach had 'caused a certain amount of amusement' on the British side of the Atlantic. As the Nationalist government was to discover, turning uranium to diplomatic advantage was not so

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3. The Combined Development Agency (CDA), formerly the Combined Development Trust, was concerned with uranium production and procurement. The Combined Policy Committee (CPC) concerned itself with co-ordinating atomic collaboration among Britain, Canada, and the United States.

4. AB 16/1514, BJSM to cabinet office, 30 May 1948.
This poorly conceived attempt to use uranium to apply diplomatic pressure on the United States government resumed later on in 1948. Charles te Water, South Africa's roving ambassador, attempted to link access to uranium with the provision of American capital to South Africa. The American reaction was that it would be 'much better to avoid any attempt to justify a loan on the grounds that the United States were interested in South African uranium'. Gordon Munro of the British embassy in Washington thought that it was evident that the South Africans in their economic plight are beginning to think of their uranium potentialities almost solely in terms of an economic asset (the present importance of which they probably exaggerate). Earlier the appeal was probably political and strategic. With the new Government, in my opinion it will be thought of as comparable with a further "newly discovered ore reserve" to be exploited as soon as possible and to the greatest possible advantage of their balance of payments situation.

Munro went on to note that if accredited representatives of the Union continued to act as carpet baggers hawking around their raw material for atomic energy almost as collateral for a loan (presumably with the approval of the full South African Cabinet) not only will the basis of our forthcoming agreement with them be affected but also the

5. AB 16/379, Stewart to Henderson, 24 Sept. 1948. The state department considered mentioning the subject to Louw at the Assembly in Paris, but it decided that it would be 'better to do nothing' about it until the Assembly was over since the American representatives might 'find themselves having to say some hard words there about the South Africans'. AB 16/379, Munro to Makins, 26 Oct. 1948.

6. AB 16/394, Munro to Makins, 8 Dec. 1948.
security aspect of our relations with them will require a greater degree of clarification.[7]

Neither the British nor the American government was ready to play the bargaining game which the Nationalist government evidently had in mind. Uranium was the most prized strategic asset of the West in the Cold War. The Union should not have expected to succeed in using uranium to extort an economic or diplomatic bargain when South Africa's strategic security rested on the protection afforded by British and American global power.

Whatever its precise motives, the Malan government was not eager to rush into a contract for the sale of uranium. The large number of unresolved production problems would have made negotiations difficult in any case. Talks planned for late 1948 were postponed first to the spring of 1949 and then to November 1949.[8] Although a tentative basis for a uranium contract was reached between representatives of South Africa, Britain, and the United States at discussions held in Pretoria in November 1949, South African ministerial dissatisfaction was soon made known. As a project of Smuts's it was not favoured. The devaluation of sterling produced a 40% rise in the sterling price of gold. Gold production had become correspondingly more attractive. Disagreements over prices remained. Furthermore, no

7. AB 16/394, Munro to Makins, 8 Dec. 1948.

8. There were reasons for delay on the American side as well. The Americans were concerned about the effects on the negotiations with the Belgians of offering a relatively high price to South Africa. R. Hewlett and F. Duncan, History of the United States Atomic Energy Commission, vol. II, atomic shield, 1947-52 (New York, 1969), p. 174.
progress had been made toward granting the Union a special position in atomic energy counsels.[9]

During the talks in Pretoria, the Union government had finally raised the 'special position' question. Douglas Forsyth, the secretary for external affairs, spoke to both the British and Canadian high commissioners of his government's hope for membership of the Combined Development Agency. Forsyth thought that 'assistance in this matter from the United Kingdom would be very timely in view of the hard feelings likely to arise in the near future from the question of the High Commission Territories'. He must have been well aware that clever dealing could squeeze advantages out of the contradiction between the British desire to protect the Territories (something which was felt particularly strongly by Baring) and the British anxiety to preserve good relations with the Union. In this particular case the CRO did not think that 'consideration of this question should be unduly affected by the problem of the High Commission Territories'.[10]

The principal obstacle to the attainment of a special position by the Union seems to have been the Nationalist government's lack of clarity regarding its own aims. This was evident when Dõnges, the South African minister responsible for atomic energy, made an approach of


10. AB 16/394, Baring to Leisching, 4 Nov. 1949 and 9 Nov. 1949.
his own to Baring. He indicated that the Union did not want membership of the Combined Policy Committee or the CDA. It desired a position analogous to that of Belgium which, as a major uranium supplier, had privileged access to classified information.[11]

If the South African government had pressed hard for specific privileges, it undoubtedly would have had more success. When Smuts was in power, the attitude of C.D. Howe, the Canadian minister who dominated atomic policy, was that as 'the position of South Africa is likely to be parallel with the position of Canada, in that both are primarily suppliers of raw materials, I do not see that Canada can object to the proposed association' of the Union with the CPC and CDA. The Canadian government was, in November 1949, ready to consider any arrangement regarding the Union which commended itself to the British and American governments.[12] The United States government planned from the start to adopt a hard line. The British government might have been expected to press for the inclusion of another member of the Commonwealth in the atomic inner circle. The complicating

11. AB 16/394, Baring to Leisching, 9 Nov. 1949.

12. After Smuts's defeat, C.J. Mackenzie, the chief official in the Canadian atomic project, still advised that it would be a 'great mistake if South Africa were not taken into the inner circle as an important contributor as they certainly know the whole picture.' 'Documents on Canadian External Relations', 1948, (not yet published), (hereafter cited as 'DCER'), Howe to Heeney, 30 April 1948; Mackenzie to Heeney, 2 June 1948; AB 16/394, 26 Nov. 1949.
factor was the need to consider atomic relations with Belgium and Australia.[13] The British government was having difficulty enough attaining its own collaborative aims with the Americans. It was poorly placed to advance South African aims. By allowing the United States to participate in uranium negotiations, the Nationalist government had probably hoped to increase its own influence in Washington. If the Union government were going to attain a special position, it would not be able to rely on Britain to secure it.[14]

It remained clear during 1949 that Britain's links with actual and prospective uranium suppliers was her chief source of strength in atomic dealings with the United States. In that year, a uranium shortage once again appeared likely. In an effort to obtain uranium under British control, the United States government put forward a plan which included a full integration of British and American atomic

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13. FRUS, 1948, vol. I, part 2, pp. 707-9; Australia would expect, as a member of the Commonwealth, to be granted any advantages obtained by the Union. The Belgian Congo was the dominant supplier, but the Belgian government had not been given a voice in the combined bodies.

programmes.\[15\] The Chiefs of Staff and foreign secretary Ernest Bevin were not comfortable with a scheme which would have left Britain wholly dependent upon atomic production facilities located in the United States. The British government did not, however, feel that it could hold out for better terms. British ministers thought that it would be impossible to use raw materials as a major bargaining point. By the time that talks among British, Canadian, and American representatives resumed in Washington at the end of 1949, a collapse in uranium output no longer seemed imminent. The chief American rationale for atomic collaboration had thus evaporated. So Britain's influence in raw materials procurement - something which had been considered a trump card - proved not, in the end, to be of decisive advantage. The British government had felt unable to force a showdown over raw materials supply largely because Britain might have ended up as the loser. Any possibility of improving atomic

\[15\] During the course of 1948, many American policy-makers had begun to wonder why the United States should bother to sustain any atomic collaboration with Britain. In its financially weakened condition, could not Britain be forced to accept proposals to centralise the production and storage of weapons in the United States or at least in the strategic security of North America? American proponents of collaboration with Britain warned that a 'falling out between the U.S. and U.K. over the exchange of information could very well sour the prospects of successful negotiations with the South Africans'. While the Malan government was 'ostensibly rather anti-British', there were nevertheless 'certain Commonwealth ties' that were not easily loosened. 'In fact,' Arneson continued, 'reports on the Commonwealth conference indicate that South Africa is moving back into the family a bit more closely.' Regardless of any other purposes which may have been served, periodic meetings of Commonwealth leaders seem to have provided a substantial boost to Britain's position in the eyes of the rest of the world. Gowing, Independence and deterrence, pp. 254-65 and 783; FRUS, 1949, vol. I, pp. 473, 476-79, and 489.
collaboration came to an end with the news of Klaus Fuchs's arrest early in 1950. Upon learning that this naturalised British atomic scientist was to be arraigned in London on charges of spying, Lilienthal wrote 'The roof fell in today, you might say' - an apt description of the British position.[16]

Britain's position was so badly shaken by the Fuchs case that some senior American policy-makers contemplated excluding Britain from any share of South Africa's uranium. The secretary of defence, Louis Johnson[17], proposed that in light of the 'recent disturbing disclosures', negotiations with South Africa should 'take place in an atmosphere of a straight business transaction between the U.S. and the Union of South Africa only.' The state department refused to support the defence department attitude. Britain was not to be excluded from negotiations with the Union.[18]

Before a further round of uranium contract negotiations began, a South African approach for a special position was made to British representatives at the Colombo Conference in January 1950. The United


17. In August 1949 Johnson had said that there was no point in trying to bolster Britain's position through aid schemes or atomic collaboration. While the United States 'would be glad to use any part of the British Empire that was valuable' to it in joint defence plans, 'as the Empire disintegrated we should write off the United Kingdom and continue cooperation with those parts of the Empire that remained useful to us.' FRUS, 1949, vol. I, p. 514.

States government was informed that the British government was prepared to offer South Africa the same limited advantages enjoyed by the Belgian government. F.C. How, the under-secretary in charge of atomic energy at the ministry of supply, had 'no doubt at all that the South Africans will want this recognition of their special position written into the contract for the supply of uranium, or at least to be contemporaneous with it'. He could not see 'why the Americans, if they are willing to concede a special position at all, are insistent upon the concession being independent of the contractual negotiations'.[19]

The United States government stood by its contention that no offer of a special position should be made to South Africa. It would be left to them to suggest the precise privileges which they were after. The South African ambassador in Washington duly approached the American secretary of state in July and expressed his government's desire 'to associate itself with the "inner circle" of Western countries in atomic energy'. On this occasion and on several others later in 1950, United States authorities emphasised the need to conclude a supply contract while deflecting South African demands for a special position by asking them to be more specific in their requests. The

19. AB 16/1926, note by How, 3 May 1950. The British government did not, however, think that South Africa should be offered membership of the Combined Policy Committee on a par with Canada. It suggested that the South African government be told that Canada's status was based on her participation in the joint wartime project and not on her position as a source of supply (even though this was not the original view of the Canadians themselves). Gowing, Independence and deterrence, p. 333-4; FRUS, 1950, vol. I, pp. 551-2, 566, 571, 587-9.
Union government did not seem interested in establishing a costly atomic project of its own. Specific requests were in those circumstances difficult to make. Contract negotiations went ahead while the special position question was left in abeyance.[20]

The outbreak of the Korean War heightened the American desire to see South African uranium production developed as expeditiously as possible. The British cabinet office recognised that we 'must clearly support the U.S.A. in the drive for greatest possible uranium output even though this flows entirely from U.S. increased requirements and although the adoption of emergency measures by uranium producers may prove expensive'. The United States government should not, however, be left to give South Africans the impression that 'money is no object'. The British high commissioner to the Union was instructed to support the approach by the American ambassador aimed at impressing upon the South Africans the urgent need to begin uranium production.[21]

Under this prompting, the Union government agreed to further contract negotiations. Although a memorandum containing heads of agreement was signed in Johannesburg on 23 November 1950, the Union government did not immediately commit itself to it. The question of a special position had yet to be settled. Dönges, the minister of the interior

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who would be representing the Union at the United Nations General Assembly, planned to raise this matter himself while he was in the United States. While in Washington, he told Acheson that what the Union was seeking was 'not necessarily membership in the club but perhaps "associate membership".' A representative of the Union was once again asked to be more specific. After further brief and unpromising discussions, Dönges was presented, on the eve of his departure, with a hastily drawn up memorandum which included an offer of limited privileges equivalent to those obtained by Belgium.[22]

This offer was taken back to the Union for study. At the time of the Labour government's defeat in October 1951, the Malan government had not raised the matter again. The Union government was apparently prepared to accept, for the time being at least, the explanations and offers that had been made. Its policy of seeking a special position can hardly have been viewed as a success. Much of what was offered in Washington was already in place as part of the existing limited Anglo-South African atomic collaboration. Gowing's suggestion that the Union government was motivated largely by nationalist feeling and jealousy of Canada does not seem very convincing as a complete explanation of the South African desire for a special position. The chief South African desire was quite simply to be a member of the most exclusive Western club of all, and an 'all white' one at that. This should undoubtedly be seen in the context of the interest shown

by the Union government (particularly after the signing of the North Atlantic Treaty in the spring of 1949) in finding partners for some sort of strategic alliance. A close atomic association with the United States would have bolstered South Africa's international position. For the National Party government it would have demonstrated that it could enter into a partnership with a major Western power outside the Commonwealth framework. As it was, the Union government fell far short of its objective. The United States government controlled the situation. In the early 1950s, it was more anxious to restrict the atomic circle than to widen it.[23]

When it came to contracts for the purchase of uranium, the United States government was not so miserly. A lucrative offer had been made to ensure that uranium production in South Africa proceeded forthwith. The agreement reached in November 1950 covered virtually the whole output of four named South African producers for various periods up to 1964. The entire capital for the establishment of production - nearly $20m - was advanced by the Combined Development Agency. The export of materials to the Union for the construction of ore treatment plants was to be given high priority. Prices would be on a cost-plus basis. Payment would be two-thirds in dollars and one-third in sterling. By March 1951, two more producers were included. The British and American governments agreed to make loans of some $30m directly to the mining companies involved. The Malan government had driven a bargain of tremendous economic value - more

valuable, it would seem, than Smuts, with his interest in assisting Britain, would have obtained. The mining industry had long-term contracts for a product which had previously been discarded as waste. This would increase greatly the earning capacity of the gold mines. Equally important was the large injection of sterling and dollar capital. The development of uranium production would have wide-ranging effects in stimulating supporting industries and would contribute greatly to industrial development in the Union.[24]

There seems little doubt that the fall of Smuts had the most serious repercussions for Britain in the atomic field. The close alliance with Smuts had underpinned one of the British government's main bargaining counters in the negotiations which led to the re-establishment of limited Anglo-American atomic collaboration. Although it was by no means the only cause, the Nationalist victory contributed to the decline of the British bargaining position in Washington. From being difficult, it became desperate. As for

24. T. Gregory, Ernest Oppenheimer and the economic development of southern Africa (Cape Town, 1962), pp. 589-593. The South African government, recognising the scale of financial resources at the disposal of the United States Atomic Energy Commission, went so far as to request that capital should be supplied for the expansion of South African acid production that was needed for the uranium extraction process. J.G. Bower of the British ministry of supply reminded Jesse Johnson, his American counterpart, that it was 'an old saying "Easy come, easy go"'. If requests for financial help were 'promptly passed with little question it encourages extravagance and inefficiency.' 'I can put it more bluntly', Bower went on, 'and say that even an honest dealer may be tempted to be lax if he thinks he is dealing with open-handed suckers'. Johnson evidently found this analogy persuasive. The Union government was told that South Africans would have to find their own capital for acid production. AB 16/879, cabinet office to BJSM, 14 March 1951; AB 16/370, Bower to Johnson, 17 April 1951.
Ovendale's suggestion that the United States relied on Britain to obtain uranium from South Africa, that was only partially true while Smuts was prime minister. It was certainly not the case after 1948. Britain played no part in American purchases from Canada. Why should she in the case of the Union? By early 1950, the value of British atomic stocks in Washington had declined to such an extent that the British government was on the verge of being excluded altogether from access to South African uranium. That this did not happen was as much a measure of Britain's strength with respect both to potential sources of supply elsewhere in the empire-Commonwealth and to existing sources of supply such as Belgium, as it was an indication of Britain's indispensability in dealings with South Africa. As it was, the American government took the lead in negotiations while Britain was relegated to a supporting role.[25] The British government was determined, despite financial cost, not to abandon to the United States the field of South African uranium development. Finding South African policy-makers with which to collaborate was perhaps more difficult in this field than in any other. With the Nationalist government, there would be no substitute for financial largesse. The British Labour government had shown itself willing to bear a heavy financial burden in order to secure full participation in what promised to be a development of first class strategic and economic significance in a key Commonwealth country.

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Chapter 3

The Malan government's external relations while the Churchill government was in office, 1951-1954

Part 1

Relations at the United Nations
Even if ministers in the British Conservative government were more favourably disposed than some of their Labour predecessors had been toward lending support to South Africa at the United Nations, significant shifts in British policy there were not called for under Churchill's leadership. Under the Labour government, Britain, in its efforts both to exclude United Nations interference in British dependencies and, earlier on, to avoid undermining Smuts, had already adopted an exposed position in the General Assembly. Churchill's government was no less interested than Attlee's had been in preserving Britain's international moral authority, protecting its rights as a colonial power, or holding the multi-racial Commonwealth together. Furthermore, many of the domestic critics of British policy towards the Union were Labour supporters. Once Labour was in opposition, they were better placed to turn the contradictions in Britain's policy at the General Assembly to political advantage. Nevertheless, the two objectives of protecting the rights of colonial powers and preserving close relations with the Union demanded a continuation of existing British policy at the United Nations. For similar reasons, the Australian government closely followed the British line on the South African items. Less devoted to these objectives (especially the first) were the Canadian and New Zealand governments. Britain, Australia, and South Africa were to find themselves increasingly isolated and exposed at the General Assembly during the 1950s as political developments in the Union (especially the implementation of apartheid) magnified the international pressures and domestic constraints which were inducing other members
of the Commonwealth either to distance themselves from, or to continue the attack on, South Africa in New York.

The deterioration of Commonwealth support for South Africa was not a steady downward spiral. In 1951, the Malan government was sufficiently co-operative on the South-West Africa issue to sustain the hope that an internationally acceptable solution might yet be found.[1] The Union's friends at the United Nations remained anxious that the actions of the General Assembly should not drive South Africa away from a compromise. This proved to be increasingly difficult, even on relatively straightforward legal issues, when the broad thrust of South African policy aimed to deny the rights of non-whites. In the Trusteeship Committee, Australia, New Zealand, and South Africa opposed the grant of hearings to the Herero people of South-West Africa on the grounds that the Committee was only authorised to hear government representatives. This argument was rejected. To add insult to injury, the Committee also invited Michael Scott to speak on behalf of the Hereros. (In the vote on this

1. South African representatives had been engaged in discussions in the United Nations Ad Hoc Committee on South-West Africa. They announced that the Union was prepared to reassume its international obligations under a new agreement to replace the mandate. This would be negotiated with Britain, France, and the United States - the three remaining principal allied and associated powers which had founded the League. The Committee was unable to accept this proposal since it made no provision for supervision by the United Nations (and was thus not in line with the International Court's ruling). The Committee's counter-proposal entailed replicating more precisely the machinery of the League. The South African side refused to accept this on the grounds that states not represented in the League would be given rights with respect to South-West Africa. Yearbook of the United Nations, 1951 (New York, 1952), pp. 630-31; RG 25, acc. 84-85, 150, vol. 82, file 5600-40-3, J. George to A.D.P. Heeney, 10 Oct. 1951.
all the old Commonwealth delegations abstained.) The Committee had, so far as the Union was concerned, flagrantly overstepped its bounds. The South African delegation withdrew from the Trusteeship Committee. Dönges, the delegation's leader, was recalled to the Union.[2]

The Malan government complained that it was being subjected to 'intolerable' treatment, 'in spite of what South Africa was doing in defense of Africa and Middle East and in Korea'. Dönges returned to the Assembly with instructions to mobilise support for having the Trusteeship Committee's actions declared illegal.[3]

Acting on a British suggestion, Dönges's first step was to reveal his plans at a meeting of British and old Commonwealth representatives. He proposed to submit a resolution setting out South Africa's objections to the Committee's actions. Even if this were defeated in the Assembly, his government would feel satisfied if it received the support 'of those nations whose opinions really counted'. The Australian representative reported that the initial reaction of his minister for external affairs - R.G. Casey - was one of 'complete sympathy' with the Union. Casey was worried, however, about the unfortunate repercussions on 'vital questions like Korea' which might follow from a 'showdown' in the Assembly. The New Zealand representative indicated that his minister shared a similar view of


the matter. It was pointed out that the defeat of the South African resolution (which seemed inevitable) would provide the authority for hearing petitioners from non-self-governing territories, thus entrenching the Trusteeship Committee in its 'evil ways'. (The foreign office considered that it would, in any case, be 'most embarrassing' to support this resolution.) None of the other old Commonwealth representatives favoured the tabling of the resolution, but each recognised the Union delegation had to take some action. If the South African delegation simply made a full statement of its case, the British and Australian representatives intended to lend their support.[4]

In the end it was not Commonwealth or American representations which stopped the tabling of the South African resolution. Instead, it was the president of the Assembly's advice that the resolution would be technically out of order. Dönges contented himself with a strong speech condemning the Trusteeship Committee's actions. The British, Australian, and New Zealand delegations supported the line that those

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4. CO 936/123, 4 Jan. 1952, 10 Jan. 1952. Selwyn Lloyd, the minister of state at the foreign office who was leading the British delegation, went to some lengths to give the South African delegation 'every possible inducement' to make a statement rather than introduce a resolution. He asked Eden, who happened to be visiting Ottawa at the time, to press for a revision of the Canadian attitude. (The Canadian delegation had been instructed to vote in favour of the Trusteeship Committee's report which was the focus of South African criticism.) It was suggested that similar pressure should be applied in Washington. If such pressure was in fact applied with any vigour (which seems doubtful), it does not appear to have had any effect. Selwyn Lloyd further requested that the Union high commissioner in London be summoned and given a 'real talking to' if Dönges persisted with his plans to introduce a resolution. CO 936/123, 17 Jan. 1952.
actions were unconstitutional. In what was considered to be a major shift in policy, the Canadian delegation joined those from India and Pakistan in voting for a resolution regretting the Union's unwillingness to give adequate expression to its international obligations.[5]

The United States government was certain that some member of the Commonwealth should undertake to resolve the dispute over the treatment of Indians in the Union. Proposals from the United States delegation for American mediation were turned down by the state department. There was no desire in Washington to relieve Britain of this 'responsibility' or to be left in the unprofitable position of 'holding the bag' for the likely failure.[6]

Far from contemplating a role as a mediator, some officials in Ottawa were, in 1951, advising their government to align itself more closely with the Asian members of the Commonwealth in this dispute. The Commonwealth division of the department of external affairs suggested that in the face of continued intransigence on the part of the Union at the United Nations, the Canadian delegation might be forced to range itself more directly against South Africa than it had in the past. This might lead to South Africa's withdrawal from the United Nations and 'indeed from the Commonwealth because of the implied

censorship by a fellow member'. In those circumstances it might be better to push for a reference to the International Court on the question of the United Nations' competence to intervene in the dispute. India had, since 1946, opposed such a move, and it was unlikely to gain the support of the Assembly. Moreover, it seemed unwise to support this move unless the Union government agreed with it and promised to abide by the Court's ruling. In the past, the Canadian delegation had voted against any resolution condemning the Union. The Commonwealth division advised that the Canadian delegation should henceforth abstain 'which would show some displeasure with South Africa's policy'.[7]

The Commonwealth division sought to meet, head on, the strategic arguments for maintaining close relations with Union. On 'purely strategic grounds' the support, or at least the friendly neutrality, of the 'coloured half of the world' was 'desirable and necessary, perhaps even more desirable and more necessary than South Africa's support if we are to create and preserve a preponderance of force against the Soviet Union'. In other words, if a choice had to be made, South Africa should be abandoned. While the Canadian government accepted this in principle, Canadian policy at the United Nations on the South African issues shifted only slightly. In practice the St Laurent government acknowledged the Union's strategic value to the West. The Canadian government continued to avoid actions

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which might precipitate a major break with South Africa.[8]

It was not only old Commonwealth governments which struggled to reconcile the contradictory requirements of the Cold War. The American government, too, wanted to preserve both its international moral leadership and its close relations with the Union. In Washington, the dispute over the treatment of Indians in the Union was thought to pose an unnecessary threat to the unity of the non-communist world. The American delegation put forward, in private, the idea of finding a neutral individual to act as mediator in the dispute. Dean Acheson, the American secretary of state, believed that his delegation had gone far enough in 'planting the seed'. If it germinated in the minds of the sponsors, the American delegation could help in the 'pruning', but if it needed cultivating, Britain should be the 'head gardener' in the 'Commonwealth garden'.[9]

The British government was no more willing than the American to intervene directly. In the end, a resolution was put forward which included a recommendation that the secretary general should appoint a mediator in the event that progress was not made by other means. The resolution as a whole differed little from those put forward in

previous years, but it was passed by a larger majority.[10] The Canadian delegation suspected that the last opportunity to make progress on this issue had been lost at the sixth session. An early concerted effort might have produced a mild proposal for negotiations outside the framework of past resolutions. (The Union government refused to proceed on the basis of such resolutions.) In view of the 'progressive deterioration' of the racial situation in the Union, the Canadian delegation doubted that the Assembly would have another opportunity to adopt a proposal for negotiations which the Union 'might conceivably be induced to accept'.[11]

As if Britain did not have difficulties enough in reconciling the contradictions in its United Nations policy, prime minister Nkrumah of the Gold Coast added a new complication by joining the fray over South-West Africa. He sent a letter to the chairman of the United Nations committee on South-West Africa inviting the United Nations to intervene more directly and, if necessary, use sanctions to force a solution. This set the alarm bells ringing in Whitehall. Nkrumah's actions were thought to combine 'three of the trickiest problems which face the Colonial Office at the present time': the constitutional relationship between Britain and the Gold Coast; the encroachment of the United Nations on the political affairs of

10. It called for the suspension of the Group Areas Act as well as for negotiations between India, Pakistan, and the Union. Virtually all of the Arab and Far Eastern countries voted for it. Australia, Canada, New Zealand, and Britain all voted against it. Yearbook of the United Nations, 1951, pp. 349-53.

British colonies; and the difficulty of keeping both the Union and the Gold Coast in the Commonwealth. Principles were at stake which, if abrogated, would 'bring British authority, peace and good government in Africa tumbling about our ears'. Michael Scott would have to be spoken to frankly. The effect of his 'fanaticism', coupled with United Nations malevolence and African nationalism would be to throw 'all of Africa into a ferment' and 'destroy the very conditions of orderly development (i.e. the continuance of British influence)' which Scott himself recognised to be essential. Scott would have to be made to realise that the inevitable result of his activities 'must be to rule out any hope of the Union Government giving way on the South-West Africa question ... except as a result of prolonged violence in South Africa itself'. Despite these forecasts of disaster, the situation was defused without undue difficulty. Nkrumah’s actions had not drawn much attention in the Union. In the Gold Coast itself, British representatives made their views known. Nkrumah and his ministers reportedly recognised that they had made a mistake.[12]

The constitutional crisis over the removal of Coloured voters from the common roll sharply heightened international antipathy towards South Africa during 1952. The Malan government’s flouting of a unanimous South African supreme court verdict in the drive to overturn the clauses, entrenched in the constitution, and protecting the rights of Coloured voters, was particularly shocking to other

12. CO 936/123, note by Wilson, 12 March 1952.
Commonwealth countries. The view held within the Canadian government was that the Nationalists did not 'understand constitutionalism as we mean the word and are trying to set up a state radically different in its principles from those which have existed since the state was formed.'[13]

Sir John Le Rougetel, the British high commissioner to the Union, reported that if events in South Africa were allowed to take their course, the Malan government would be 'heading straight for another head-on collision' with the Trusteeship Committee just when, by their domestic policy, they will have alienated world opinion to an even greater extent. Le Rougetel was convinced that a 'determined effort' should be made to persuade Malan to consult with Britain on South-West Africa 'before it is too late'. The Union government had to be made to realise that there were limits beyond which British support could no longer be expected. A policy of avoiding discussion of controversial issues with Malan and his ministers would, if carried too far, 'endanger our relations with the Union'. Some means had to be found of increasing personal contact with Malan. The high commissioner was dependent on contacts with permanent officials whose influence might have been weakened by the constitutional crisis. Finally, it was time that the Union government was made to realise that consultation on matters of common interest was 'perfectly normal' between friendly governments even when they were not members


- 202 -
of the Commonwealth. Le Rougetel suggested that this should be raised as a matter of urgency with Malan, and that Lord Salisbury, the secretary of state for Commonwealth relations, should send a personal message for this purpose. [14]

Salisbury preferred a different course. Le Rougetel was told to seek a personal interview, telling Malan that it was on the specific instructions of the secretary of state for Commonwealth relations. The Union prime minister was to be told that it was not possible for the Churchill government to ignore 'strongly expressed public opinion' within Britain. Unless the Union made some conciliatory move, there was a real danger that friendly powers would find it 'increasingly difficult if not impossible' to support the Union on the South-West Africa issue. [15]

Malan's response was that if the Union's proposal to negotiate a new agreement with the remaining principal and associated allied powers of the League were accepted, then reports on South-West Africa would be submitted to them. Le Rougetel welcomed this as a step in the right direction, but he did not hesitate to say that he doubted

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15. CO 936/123, Salisbury to Le Rougetel, 11 June 1952.

- 203 -
whether this was enough to make a solution possible. [16] By the end of July 1952, Le Rougetel's doubts had turned to pessimism. He felt the Union government had no intention of making a serious effort to bridge the gap between themselves and the Trusteeship Committee. [17]

Before the start of the seventh session of the General Assembly in the autumn of 1952, the Indian government announced that it would introduce a new item onto the agenda: the race conflict in the Union resulting from the policies of apartheid. Canadian officials believed that the Indian government was aiming to place the question of the treatment of Indians in the Union in the moral context of general violations of fundamental human rights, thereby securing a more sympathetic hearing from the West. Indian authorities had been following closely developments in public and official opinion on this issue in Western countries. They made it known that they hoped that countries such as Canada would support the new resolution. It seemed to the Canadian high commissioner in New Delhi that 'in view of the latest developments in the apartheid campaign and the banding together of all non-Europeans in passive resistance, it would be

16. CO 936/123, 19 June 1952. The Canadian government, which had learned of this British approach to the Union government, expressed some interest in lending assistance. The Commonwealth Relations Office (CRO) view was that while the influence of the other old Commonwealth governments might be useful at some stage, it was doubtful that any 'ganging-up' would be helpful at that moment. From Ottawa, the British high commissioner reported that by supporting the resolution on South-West Africa (on which Britain, Australia, and New Zealand had abstained), Canada had taken 'the plunge into open disapprobation' of Union policy. CO 936/123, 16 June 1952.

pretty difficult for us to vote against the proposed Resolution'. The Canadian high commissioner in South Africa could not see how a resolution disapproving apartheid could help. The interference in domestic affairs would weaken Commonwealth relations. He advocated abstention. Shortly afterwards he wrote that one 'has the impression here that the time for any effective reconsideration or reorganisation' of the Union's international position had passed. If it had not passed, the best contribution that the Canadian government could make was to avoid 'adding anything more to the fury that now actuates this country's foreign policy'.[18]

Among officials in Ottawa, the view held by the high commissioner in New Delhi was in the ascendant. The Commonwealth division of the department of external affairs recommended that if discussion of the resolution could not be prevented or side-tracked into a reference to the International Court, the Canadian delegation should give consideration to voting for it. Lester Pearson, the secretary of state for external affairs, accepted that this was the best policy in the circumstances: 'I agree in principle we should support it - though I regret the necessity of doing so - and I resent being forced into this position by governments some of whom in their domestic policies have not much more regard for human rights than South Africa'.[19]
It seems clear that some Canadian officials were prepared to permit international pressures to be a determining factor, but what was the view of the St Laurent cabinet? One obstacle confronting the policy advocated by the Commonwealth division was that St Laurent himself had, in 1946, expressed doubts about the Assembly's competence to intervene on the 'treatment of Indians' issue. Cabinet had, therefore, to be convinced that the race conflict issue was different. Pearson presented a memorandum setting out three reasons for siding with India. First, a stronger case could be made that 'a flagrant violation of elementary human rights' was at stake. This meant that there was less uncertainty (than there had been regarding the Indian complaint) that the Assembly was entitled to intervene. Second, if all Commonwealth countries opposed or abstained on the Indian motion, India might interpret this as a sign of preference for an all-white Commonwealth and consider withdrawing from it. And third, if there was a choice to be made, even on purely strategic grounds, the 'friendly neutrality of the coloured half of the world' was more desirable and necessary than the support of 'two million white people' in South Africa. The cabinet minutes recorded that there was 'considerable discussion' of this issue (which probably meant that some ministers had serious reservations about the course proposed.) Pearson's recommendation was approved, but with the proviso that the Canadian delegation would not give its support without referring the texts of the proposed resolutions to Ottawa for
further consideration by cabinet.[20]

The British cabinet settled on a different course. The CRO advised that policy should have regard for 'three basic factors'. First, 'we must preserve our rights as a colonial power vis-a-vis the United Nations'.[21] Second, 'we have a reputation to maintain as a champion of liberal western civilisation'. And third, 'we must do all we can to preserve and strengthen our relations with South Africa'. For this, the 'four reasons' were once again set out. Beyond these three factors, the race conflict issue encroached 'even more obviously' on the field of domestic jurisdiction than the treatment of Indians issue. (This view was precisely opposite to the one advanced by the Canadian department of external affairs.) Furthermore, a precedent would be set for discussion of matters within Britain's own domestic jurisdiction - particularly her colonial affairs. The British delegation was instructed to vote against the inclusion of the item on the agenda and was given discretion to abstain or vote against any resolution.[22]

Not everyone in Whitehall was satisfied with a policy which


21. The importance attached by cabinet to this point was revealed in a decision made at the end of July 1952. On the advice of Eden, the British delegation was instructed to threaten withdrawal (and, if necessary, to actually withdraw) from any proceedings in the Assembly which seemed likely to threaten Britain's rights as a colonial power. CAB 129/55, C(52)232; CAB 128/25, CC75(52)7.

effectively ignored international pressure for a condemnation of Union racial policies. In September 1952, the colonial office warned that the 'apparent neutrality' of the British government in the recent disturbing events in the Union had become 'a serious cause of suspicion about our intentions and motives in Africa as a whole'. Some indication of dissociation from, and disapproval of, South African policy and methods had to be considered. The problem, as the GRO saw it, was how to make a statement without offending the Union government. It was agreed that Salisbury should reply to a question in the House of Lords. Salisbury himself wanted no special publicity given to the question and answer. He accepted his department's draft reply except for the statement that the British government was 'abolishing discrimination'. This should, he thought, be eliminated, since it admitted that discrimination existed and implied that drastic action was planned. In what seems to a good example of how the desire to avoid alienating the settler communities in east and central Africa (in order not to drive them in to the arms of South Africa in the long-run) acted against the short-term desire for Britain to distance herself from South African racial policy, Salisbury requested that the offending phrase be eliminated. It might, he thought, 'stiffen European attitudes throughout
Before the seventh session of the General Assembly began, Casey, the Australian minister for external affairs, wrote to Pearson asking whether the Canadian minister might attempt private conciliation to bring India and the Union together. Casey hoped to avoid a repetition of the 'embarrassing situation' where Australia was isolated with South Africa at the Assembly. The issue was important, wrote Casey, because it provided a focal point for the racial animosity which threatened to increase disunity in dealing with the communists. He felt that Australia could not make any further moves which could be represented as support for South Africa without creating mistrust in south and south-east Asia. 'Of all countries I think Canada might exert the most influence', wrote Casey. So the Australian government too was seeking relief from the strains imposed by the contradictory requirements of the Cold War. The Canadian

DO 35/2220. This discreet effort at public dissociation undoubtedly had little impact in comparison with British actions at the General Assembly. In December 1952, Britain joined Australia in voting for a South African resolution declaring the race conflict issue to be a matter of domestic jurisdiction. Canada and New Zealand abstained. Not surprisingly this resolution failed. The British, Australian, New Zealand, and South African delegations all voted against that part of another resolution establishing a commission of enquiry to study the racial situation in the Union. (Canada abstained on this.) On this resolution as a whole, only South Africa voted against while the rest of the old Commonwealth abstained. On another resolution which called upon member states to promote human rights, Canada and Pakistan voted in favour, South Africa voted against, and the rest of the Commonwealth abstained. On this item at least, it seems apparent that the underlying Canadian attitude towards South Africa was tending to make the Canadian position distinct from the rest of the old Commonwealth. Yearbook of the United Nations, 1952 (New York, 1953), pp. 304-6.
government refused, however, to take on this burden.[24]

Although the underlying attitudes of these Commonwealth governments varied, the British, Canadian, Australian, and New Zealand delegations all had instructions, in 1952, to abstain on resolutions condemning the Union government for its treatment of Indians. The Canadian and New Zealand governments might have adopted positions more critical of the Union, but they were constrained by positions adopted while Smuts was in power - namely, that judgement should not be passed until the International Court had ruled on whether the issue was a matter of domestic jurisdiction. Some Australian representatives had begun to doubt the wisdom of supporting the Union. The British government remained convinced that the subject fell 'clearly within the sphere of South Africa's domestic jurisdiction'. A reference to the International Court was not favoured because of the possible implications for Britain's position as a colonial power. The British delegation was instructed to work for a moderately worded resolution and to play 'as inconspicuous a part in the debate' as they could.[25]


25. RG 25, acc. 84-85, 150, vol. 82, file 5600-40-1; CAB 129/55, C(52)306. A resolution, introduced by India, establishing a good offices commission, and calling on the Union to suspend the Group Areas Act, was passed. South Africa voted against. The rest of the old Commonwealth abstained. A divisive debate on South-West Africa was largely avoided at the seventh session of the Assembly as the result of an initiative by members of the American delegation (who hoped to play for time until after the South African election in the spring of 1953). CO 936/123; Yearbook of the United Nations, 1952, pp. 296 and 583-6.
The appearance, early in 1953, of apartheid legislation which would further infringe the rights of Indians in the Union prompted the Indian government to seek support from the old Commonwealth in applying pressure on the Malan government. The cause of concern was the Immigrants Regulation Amendment Bill. This was intended to exclude the Indian wives and children of Union nationals. In Ottawa, it was believed that this was the first time that India had formally asked Canada to intervene on the 'treatment of Indians' issue. The United Nations division of the department of external affairs, while noting that it might be unwise suddenly to take an active interest in a question on which Canada had previously abstained, suggested that 'if we are ever to make representations to the South African government on their racial policies, the present circumstances seem to provide the best opportunity'. There were several reasons for this. The domestic jurisdiction argument did not apply with the same force. The Indian government could be reassured of Canadian good intentions without having to support critical resolutions of doubtful legal validity. The arguments based on Commonwealth relations and humanitarian grounds were 'quite clear and fairly strong'. The Canadian high commissioner in Pretoria wrote that if 'anything is to be gained by Canadian representations, I sincerely hope they may be made'. Nevertheless, external affairs as a whole did not consider intervention advisable. Canada's own restrictive immigration policy was not immune from attack. It would not be easy, because of South African 'sensitivity on such questions', for the Canadian government to use its good offices on a question which, in the final analysis,
might seem to be mainly one of immigration. Pearson was told by his department that 'we candidly doubt that beneficial results would be achieved by any such demarche'. The British and Australian decisions not to intervene made it that much easier for the Canadian government to adopt the same course.[26]

Political developments within the Union had little direct effect on the disposal by the Assembly of the 'treatment of Indians' issue in 1953. Britain, Australia, Canada, and New Zealand abstained on the resolution criticising South African policy and calling on it to refrain from implementing the Group Areas Act.[27]

Old Commonwealth attitudes were slightly different when it came to race conflict issue. The Canadian and New Zealand delegations were disposed to vote in favour of resolutions mildly critical of the Union. New Zealand attitudes had shifted from the previous session.

26. RG 25, acc. 84-85, 150, vol. 82, file 5600-40-6, United Nations division memo. by P.A. McDougal, signed by S. Morely Scott, 26 March 1953; L.D. Wilgress to Pearson, 27 March 1953; MacDermot to Pearson, 31 March 1953. From New Delhi, Escott Reid (the Canadian high commissioner) advised that a rejection of the Indian request should be softened by the addition of such words as: 'Mr. Nehru will understand that Mr. St. Laurent, belonging as he does to a church which places special emphasis on the family, deeply regrets the effect which the proposed South African legislation would have'. Pearson's reaction was: 'we do not need to apologise even by implication. India never worries about its inability to help us when it feels it to be inadvisable.' File 5600-40-6, 10 April 1953. The South African immigration policy, which prompted the Indian request for Commonwealth opposition, was apparently formulated with little or no regard to its external implications. The Canadian high commissioner to South Africa gained the impression that the Union department of external affairs had not even been consulted by the department of the interior. File 5600-40-6, MacDermot to Pearson, 31 March 1953 and 16 July 1953.

The New Zealand feeling was that the Malan government had moved away from respect for human rights. There was also a fear that New Zealand's legalistic approach had been misunderstood as condoning South African racial policies. [28] The possibility that the Canadian and New Zealand delegations might, in 1953, align themselves in direct opposition to South Africa diminished as other delegations became more strident in their attacks on apartheid. [29]

While the exclusion of United Nations interference was as important to Britain (as a colonial power) as it was to the Union, the British government felt increasingly uncomfortable about adopting exposed positions in the company of the Union. There were sound reasons for British opposition to a resolution establishing a committee to examine reports on South-West Africa. Nevertheless, the colonial office was unconvinced of the 'tactical wisdom' of standing alone with the Union or in the company of 'one or two of the more hard-bitten administering powers such as Belgium or Australia'. If the British government were isolated with the Union on the South-West Africa issue, 'nothing but harm could result to the prestige and credit of H.M. Government both in the United Nations, in India, in


29. Canada and New Zealand abstained on a South African resolution claiming that the Assembly had no competence to intervene. The rest of the old Commonwealth voted for it. The old Commonwealth (other than the Union), while recording their opposition to any policy of discrimination, supported the South African contention that the United Nations commission established to study the racial situation in the Union was unconstitutional under the terms of the Charter. Yearbook of the United Nations, 1953, pp. 187-97.
Africa and, to some extent, also in this country.' Furthermore, such British action would not even, 'as experience shows, enhance our influence with the Union Government on South-West Africa in future.'

The colonial office advocated abstention unless the British delegation could vote against the objectionable parts of the resolution in 'reasonably respectable company'.[30]

Under international pressures and domestic constraints, British determination to assist the Union on the South-West Africa issue was giving way. The colonial office's advice was accepted. The Union was left on its own. Britain joined Australia and New Zealand in abstaining. Canada continued its policy of expressing disapproval of South African policy by voting for the resolution.[31]

In 1954, the British and Australian governments seem to have made a concerted effort to relieve the strain arising from the alignment with the Union at the United Nations by having the 'race conflict' and 'treatment of Indians' items dropped from the Assembly's agenda. The Commonwealth division of the department of external affairs in Ottawa advised against abstaining on the inscription of these two

30. FO 371/107069, Wilson to Bass, 3 Nov. 1953; and note by Wilson, 3 Nov. 1953.

31. Yearbook of the United Nations, 1953, pp. 540-6. From New Delhi, Escott Reid warned the Canadian government that if the Commonwealth was to maintain its multi-racial character, 'there can be no compromising on the question of racial discrimination within the Commonwealth. This issue may well be the one on which the Asian members will determine their future membership in the Commonwealth.' RG 25, acc. 84-85, 019, vol. 370, file 10486-40-1, Reid to Pearson, 22 July 1954.
items. In the three reasons it gave, emphasis was placed on domestic constraints. First, Canadian public opinion was strongly against the racial policy of the South African government. Second, public opinion attached 'very great importance' to the Canadian position adopted on these items. And, third, it would be 'extremely difficult' to justify such abstentions in the light of Canada's frequent statements on the desirability of the Assembly discussing human rights questions. Canadian ministers (if they were consulted) evidently accepted this. The Canadian delegation voted for the inclusion of the race conflict item on the Agenda. The New Zealand delegation abstained. The rest of the old Commonwealth voted against it. In the British and Australian attempt to shelter the Commonwealth connection with the Union from international pressures, not even the support of Canada and New Zealand could be mobilised, largely, it would seem, because domestic constraints in those two dominions precluded it.[32]

Although the domestic constraints and international pressures acting against support of the Union did not abate in 1954, the delegations of the old Commonwealth continued to find themselves aligned with South Africa at the United Nations, at least partly because critics of the Union insisted on overstepping the bounds of the Charter. When the Canadian delegation joined the rest of the old Commonwealth in

32. RG 25, acc. 84-85, 150, vol. 95, file 7060-A-40-5, memo. by Commonwealth division, 17 Sept. 1954; General Assembly Official Records, 9th sess., 476th plenary meeting, p. 41; (hereafter cited as GAOR); GAOR, 8th sess., 435th plenary meeting, p. 28.
voting against a resolution extending the life the commission established to examine the racial situation in the Union, officials in Ottawa were 'somewhat disturbed' by the impression this might have created when the United States had abstained. 'In the interest of Canadian relations with the Asian members of the Commonwealth and also in the wider interest of the Commonwealth as a whole, it is', wrote an external affairs official, 'important that this distinction between "old" and "new" Commonwealth should be broken down especially when it is on racial lines.' Canadian ministers were not yet ready to go so far in this direction as officials advocated. The Canadian delegation voted with the rest of the old Commonwealth in plenary as it had in committee. The forces acting to divide the old Commonwealth were, for the time being at least, held in check by the old Commonwealth's conservative interpretation of the Charter's scope.[33]

This was clear with respect to the 'treatment of Indians' issue. Even though the Indian delegation submitted one of its mildest resolutions on the subject, Britain, Australia, Canada, and New Zealand abstained on most votes.[34] A similar situation arose with respect to South-West Africa where much of the Assembly debate was

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34. The latter two went so far as voting for part of a resolution calling for direct negotiations. GAOR, *Ad Hoc* Political Committee, pp. 58-9.
taken up with a wrangle over the procedure regarding reports and petitions.[35]

The willingness of other Commonwealth governments to align themselves with the Union at the United Nations reflected a determination to uphold an interpretation of the Charter behind which South Africa found refuge. There was, furthermore, a desire to lend assistance to South Africa, first because she was a fellow member of the Commonwealth, and second because of her strategic and economic significance. The unbending logic with which the Malan government implemented its apartheid policies made the political justification of such an alignment more and more difficult even when the Charter seemed to provide a firm defence. The balance of conflicting forces, at once drawing Commonwealth governments towards and repelling them from an alignment with the Union, was shifting. For Britain, with its still vast imperial interests (and Australia with its minor ones), the attractive forces predominated. For Canada those forces were becoming more evenly balanced. In 1952, Pearson told a British representative that 'he fully realised' the importance from the Commonwealth and strategic points of view of keeping the temperature low in the Assembly debates involving South Africa.[36] Nevertheless,


the St Laurent government conceded in the same year that 'even on purely strategic grounds', if a choice had to be made, South Africa would have to be abandoned in favour of the 'coloured half of the world'. In reality, the choice was not so straightforward, not least because the 'coloured half of the world' had its own ideas about the Cold War. The British government was in any case determined to avoid being pushed into a situation where such a choice was necessary. In practice, the other old Commonwealth governments (as well as the United States) supported this objective. They would continue to do so until international pressures, domestic constraints, and political developments in the Union forced such a situation upon them.
Chapter 3, part 2

Economic relations, 1951–1954
As their Labour predecessors had done, members of the British Conservative government saw a route to British economic recovery and financial independence in co-operation with the Commonwealth and in the development of the empire-Commonwealth's resources. As long as there was little alternative to Britain as a market for certain commodities and as a source of capital funds and goods, the old dominions, including South Africa, would continue to see material advantage in close economic collaboration with Britain. The co-operative efforts to sustain the economic world system centred on Britain were to encounter, during the 1950s, increasing international pressures and domestic constraints. Internationally, there was American-led pressure for Commonwealth countries to lower tariffs, reduce preferential margins, and advance towards free multilateral trade. The recovery of other industrial powers both increased the competition faced by British exports and began to reduce Britain's relative monopoly position as an importer and exporter. Furthermore, the state of the British domestic economy, which had been heavily burdened by rearmament, meant that Britain's relative importance as a supplier of goods and capital would decline. Within the Churchill government, there seems to have been no serious doubt that these pressures and constraints could, with the assistance of other Commonwealth governments, be dealt with successfully and that the British economic world system could thus be sustained.

When the Conservative Party took office in October 1951, Britain was in the midst of its third post-war balance of payments crisis.
Western rearmament and United States stockpiling had driven up commodity prices and, with them, the cost of British imports. Arms production reduced the amount of British goods available for export. Britain's and the sterling area's central reserves of hard currency fell alarmingly. The drain caused by Britain's own large dollar deficit was compounded by the fact that the dollar surpluses run by independent sterling area countries had largely disappeared during 1951. In an effort to alleviate this crisis, and at the urging of his officials, R.A. Butler, the chancellor of the exchequer, called, in December 1951, for a meeting of Commonwealth finance ministers. [1]

This meeting confronted what were some of the fundamental problems of the sterling area system. Of these, the most central was that if the area were to act as if it were a unit (as it attempted to do with respect to exchange rates and currency reserves), the import policies as well as the internal policies of the member governments had to be closely co-ordinated. Unrestricted non-sterling imports by any member would tend to upset the balance of payments of the area as a whole. Price inflation anywhere in the area would undermine the exchange rate by pushing up the relative cost of sterling exports and pushing down the relative cost of non-sterling imports. As officials in the British treasury warned, 'the internal policies adopted by individual Commonwealth countries will be a major factor in determining whether the sterling area, as we know it, is to survive

or not'.[2]

The Union government accepted that sacrifices should be made 'to assist in tiding sterling area over critical period through which it is now passing'. The Union would cover its share of gold payments made to non-dollar countries. Furthermore, it would, if necessary, draw on its reserves to ensure a minimum of £50m of gold accrued to Britain, with the proviso the the Union's own reserves did not fall below £55m. In his message to Butler, Havenga stressed that 'the undertakings which we are prepared to give at the present time should be regarded as crisis measures and it should not be assumed that we would be able to maintain these measures beyond the present calendar year'.[3]

The Churchill government faced difficult decisions on economic and financial policy in 1952. South Africa's net contribution to the central reserves in 1952 ($176m) was insufficient to counteract the

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2. DO 35/2690, note by Hill, 29 Oct. 1951. The outcome of the finance ministers' meeting was a declaration of an intention to balance sterling area accounts with the dollar area in the second half of that year, to reach a long-term surplus with the dollar area, and to work towards the convertibility of sterling by stages. Wright, 'Dollar pooling in the sterling area', p. 566.

3. A 80/10, Havenga to Butler, 1 Feb. 1952. These new South African undertakings involved an even greater degree of administrative discrimination than was practised by the Union in 1951. They would be 'entirely in conflict with the spirit of the scheme' outlined to members of GATT in December 1950. New Anglo-South African financial arrangements, less objectionable to GATT, were formulated later in 1952. The Union government declined to renew the agreement to cover her share of any sterling area deficit with continental Europe, but it agreed to aim at keeping dollar imports in 1953 at roughly the 1952 level. T 236/3272, note by Flett, 28 Nov. 1952.
drain generated elsewhere in the sterling area. The result was that reserves of gold and hard currency fell by $489m in that year.\[4\] There was reported to be 'a widespread belief in the United Kingdom shared by members of every political party that in a genuinely non-discriminatory trading world, the sterling area will never be able to balance its accounts with the dollar area.'\[5\] From there, reported a Canadian representative in London, it was an 'easy step' to the 'acceptance of the sterling area self-sufficiency concept'. This called for the fullest development of the area's resources in order to escape from dependence on dollar sources of supply. In formulating policy, the Churchill government had to contend with the desire (strongly held both by back-bench Conservative members of parliament and some ministers, such as Lord Salisbury) to promote intra-Commonwealth trade and to revive imperial preference. Toward the end of the summer of 1952, British ministers considered whether the government should aim at 'a largely self-sufficient Empire such as Amery always advocates'. On inspection, it was realised that such a scheme was impossible. First, it was unacceptable to Canada; second, half of the 'Empire's' trade was with the rest of the world; and third, it would take too long. Finally, there was insufficient capital within the 'Empire' to develop its resources. In conclusion, ministers were 'quite definitely of the opinion that we should aim to achieve in due course, indeed as soon as practicable, a multilateral

\[4\] Wright, 'Dollar pooling in the sterling area', pp. 559-576.
trading system, with the minimum amount of discrimination, including both the dollar and sterling areas'. This might be 'unpalatable to many members of our party' but they might be reconciled by the view that we should get rid of the no new preference rule. 'Empire self-sufficiency', as an end in itself, was ruled out, but the development resources in the Commonwealth remained an important objective.[6]

Convertibility of sterling was a pre-eminent British concern throughout the 1950s. It was the central topic of discussion at the Commonwealth finance ministers' meeting in December 1952. Earlier in this year, sharp differences of opinion regarding convertibility had emerged within Whitehall. Officials in the Bank of England and the treasury had attempted to push through a plan, known as 'Robot', for immediate convertibility. The intention was to give the United States and the sterling area only minimal warning. One of the scheme's objectives was to float the pound and effect a devaluation of Britain's overseas liabilities. Strong opposition to this plan

6. RG 19, vol. 766, file 304-SB; PREM 11/22, Cherwell to Churchill, 18 Sept. 1952. A. Seldon, Churchill's Indian summer: the Conservative government, 1951-1955 (London, 1981), pp. 180-81. Although there were lingering hopes of using preferential tariffs to promote trade within the Commonwealth and bolster its unity, there were more immediate and compelling reasons for seeking relief from the GATT 'no new preference rule'. If the British government wanted to raise tariff levels against foreign competition, it was obliged, in order to maintain the margins of preference bound by the Ottawa agreements, to raise the preferential rate as well. By prohibiting increases in preferential rates, the 'no new preference rule', in effect prohibited any increase in many British tariffs. The elimination of this rule was considered to be 'essential' to 'regain the freedom to operate our own tariff'. PREM 11/1039, note by board of trade, 1952.
was voiced by ministers and by some other officials. In addition to the economic arguments against it, concerns were expressed about the effect on the Commonwealth. By the end of February 1952, the opposition of Eden, Cherwell, and Salter had turned the balance of opinion in cabinet against the scheme. In June it was reconsidered, only to be turned down again. Attention had by that time turned to a far less radical plan known as the 'collective approach' to convertibility. This entailed a gradual move, in co-operation with the United States and Commonwealth governments, to convertibility. Cherwell opposed this scheme as well, favouring instead an extended payments union which would include the United States and Canada. Cabinet as a whole preferred the collective approach. Plans were laid to enlist the support of other Commonwealth governments at the finance ministers' meeting.[7]

At this meeting, the British plan for convertibility ran headlong into the problem that some members of the sterling area were unwilling to adopt policies which the British government considered essential for the continued viability of the sterling area system. The reluctance of some governments to adopt a flexible rate of exchange emerged as the crucial difficulty. An integral part of the collective approach was that sterling area countries should fix their currencies relative to sterling, after sterling became convertible at a flexible rate. The governments of India, Pakistan, and Ceylon

would have political difficulty with this. It would appear to subject the economic destinies of those countries to the West. No agreement was reached on convertibility.[8]

The planned introduction of convertibility necessitated some revision of the agreements governing Anglo-South African financial relations. British officials sought to obtain a revised understanding during the Commonwealth Economic Conference. Under convertibility, the guaranteed sale of £50m of gold a year to the Bank of England would be overtaken by the re-opening of the London gold market. The Union government itself had pressed for this. There would be no compulsion on the Union to sell in London. It would do so to obtain the best price. There would be no need to continue special arrangements to cover hard currency payments made on South Africa's behalf because, under convertibility, all non-sterling currencies would be equally hard. The existing arrangement, whereby gold surplus to the Union's reserve requirements was sold to London, remained valuable to Britain. Most important for Britain, however, was that South Africa should limit its imports from non-sterling countries. The basis of

8. The meeting accepted that each Commonwealth government should assist the balance of payments situation of the sterling area as a whole by restraining credit, bringing their own trade into balance, and by improving competitive power. DO 35/6503, 16 Oct. 1952; PREM 11/22, C(52)430, 6 Dec. 1952. Next to Britain's, South Africa's representatives at the finance ministers' meeting were probably the strongest supporters of the collective approach. The scheme was advantageous from the point of view of a gold producer. A floating rate would probably mean a devaluation - in effect an increase in the sterling price of gold. Furthermore, if the scheme were adopted, the Union government would be able to hold out the prospect of an end to import restrictions and discrimination. DO 35/6501, Snelling to Symon, 25 Nov. 1952.
the revised understanding sought by Britain was that South Africa should continue to discriminate against dollar imports, not run down her sterling balances, and not increase her gold reserves. In return, Britain would give assurances that South Africa's fruit and wine would continue to have access to the British market and that the facilities of the London capital market would continue to be available. Other than its insistence that South Africa would discriminate against the dollar (rather than in favour of sterling as the British side desired), the Union government was generally amenable to the British proposals as far as 1953 was concerned.[9]

Little progress was made towards convertibility in 1953.[10] The United States government proved to be unreceptive to the collective approach which called for an American contribution to a large support fund. This issue was discussed with Steyn and Havenga who travelled to London in the spring of 1953 for the Coronation. Steyn had gained the impression that not only had no progress been made on the collective approach, but there was no general intention to press ahead with it. While his government wanted to do nothing to disturb

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10. Swinton, the secretary of state for Commonwealth relations, wondered if there was an alternative to the collective approach. He suggested that 'the Americans might be more ready to deal if we are doing a good bit within the Empire'. Some meaning was given to this sentiment at the Commonwealth Economic Conference held in Sydney during January 1954. The British government authorised that £120m of British capital should be made available for development of sterling area countries. Priority would be given to projects which would save dollar exchange. T 236/3358, Swinton to Liesching, 17 Aug. 1953; T 236/3597; PREM 11/603.
the Commonwealth relationship or in any way endanger the sterling area, Steyn felt that South Africa would not long tolerate a long period of stagnation in external financial affairs while the United States government tried to make up its mind. Steyn said that his government was not disposed to 'go it alone'. On the other hand, he made it plain that the Union government 'would certainly be asked pointed questions during the next few months'.[11]

Limited moves were made towards convertibility in 1954. In the same year, the British and South African governments agreed that the Memorandum of Understanding, which had (with various modifications) governed financial relations between the two countries since 1949, should no longer apply after the end of the year. This, as a British treasury official noted, was 'not due to any fundamental change in relations'. Rather, it was because the London gold market re-opened. This meant that it was no longer necessary to have a special agreement relating to the disposal of South African gold. In

11. T 236/3272, note by Rowan, 10 June 1953. Havenga himself told the chancellor of the exchequer that the Union government attached the greatest importance to the abandonment, as from the beginning of 1954, of discrimination against dollar imports. Discrimination was distorting the Union's cost structure. It was embarrassing in relation to GATT. Moreover, it was impossible to defend protection for Britain's industry when South Africa's was exposed to international competition. He attempted to calm Butler's fears by indicating that, in the event of an emergency, restrictions could be reimposed. A report in the Economist claiming that Havenga was waiting for the opportunity to take the Union out of the sterling area was, the Union minister of finance said, 'really a bit hard'. He had been a 'staunch partner' and had 'brought the whole of his Cabinet round to his point of view'. A 80/1, 21 Oct. 1953; DO 119/1167, note of meeting between Havenga and Butler, 12 June 1953; PREM 11/539, note of meeting between Havenga and Swinton, 12 June 1953.
effect, a return had been made to the pre-war pattern in which Britain's ability to earn gold depended on the extent to which sterling countries could sell in the South African market.[12]

The availability of capital from Britain had been a crucial ingredient in the financial bargains struck between the British and South African governments. This availability had also been the basis of extensive collaborative links which bound various South African concerns to the London capital market. That Britain's post-war financial weakness could lead directly to the deterioration of some of these links was clear from exchanges between South African municipalities and the British treasury in the early 1950s. South African municipal authorities had traditionally raised capital for public works projects in London. After the war, the combined needs of such municipalities, in South Africa and elsewhere in the Commonwealth, were too great to be satisfied in London. In 1952, the question arose in connection with Johannesburg as to whether the refinancing of loans raised originally in London was exempt from restrictions. The Bank of England view was that 'for the sake of the general good with S.A., it would be a pity to refuse refinancing facilities (as distinct from new money) even if we thus commit ourselves to providing similar facilities for other South African municipalities'. The CRG took a similar view. Treasury opposition was overturned with the argument that it would be unwise to do

anything which would 'unduly upset' the South African government. A more complicated situation arose in relation to Cape Town. The municipality there not only looked to London for capital but was prepared to demonstrate the value it attached to the British connection by observing a 10% price preference in respect of tender offers from British firms. The British board of trade was concerned that Cape Town might be forced to abandon this preference if it had to raise a loan in a foreign country. It was pointed out that this preference 'accounts in part for the fact that we have hitherto enjoyed a virtual monopoly of the purchase of capital equipment by the Municipality'. Neither the treasury nor the board of trade could see how a loan could be made to Cape Town without opening the door to similar applications 'far beyond our capacity to meet'. The answer to Cape Town could only be a 'regretful negative'. The limit of Britain's ability to supply capital had been reached. Some of the formerly sound collaborative bargains between South African municipalities and London became bankrupt. With such bankruptcies, the material underpinnings of the British connection with the Union were weakened by a degree.[13]

At the same time as Britain's financial weakness was tending to undermine, indirectly, British influence in the Union, there were suggestions from British representatives in South Africa that attempts should be made to use controls over capital movements to exert a more direct influence in political affairs there. In

November 1953, A.W. Snelling, the deputy high commissioner, set out his reasons for thinking that the flow of capital was 'an important factor in determining the course of racial, internal and external politics in South Africa'. Malan had shelved a bill relating to the removal of Coloured voters from the common roll because, in his own words, 'economic and commercial interests are now beginning to exert pressure in South Africa to have the constitutional issue settled'.

Snelling concluded that

the need for more capital from abroad has been the main factor restraining the Union government from pressing forward with their racial and perhaps even republican policies. From this it follows that every decision that is made by the Capital Issues Committee to permit or not to permit a South African floatation in London, or by the International Bank to grant or not to grant a loan to her, or by the Commonwealth Development Finance Company to assist or not to assist some particular Union project, is likely to have significant political effects in South Africa.[14]

When and if the flow of capital once again increased, the United Party was 'likely to find that its task of resisting Nationalist legislation' was increased. Snelling's plea was that 'we should face up to this situation'. On issues of £1m or over, he urged that the CRO 'should let us in this office know what is proposed in sufficient time for us to advise you ... to delay the floatation'. The CRO was asked to do what it could to persuade the treasury and Bank of England 'to see the political wood for the economic trees'.[15]

[14. DO 35/6470, Snelling to Rumbold, 30 Dec. 1953.]
[15. DO 35/6470, Snelling to Rumbold, 30 Dec. 1953.]
It was not only the treasury that was extremely doubtful about any attempt to control the timing of capital issues. The CRO, while agreeing that it, and the office of the high commissioner, should be kept informed of capital issues, considered Snelling's proposal to be impracticable. First, controls were not sufficiently flexible to be used in this way. More importantly, the British government had to keep right out of South Africa's domestic politics. If we started approving or rejecting applications for capital issues in order to help the United Party or to encourage the Union Government to be more sensible in their racial policies, it would quickly be suspected what we were doing, with profound prejudice to our general relations with S. Africa and in particular to the close and valuable co-operation which they now give us in the economic field.[16]

Furthermore, the British government had obligations under the Memorandum of Understanding. There might, nevertheless, be occasions when the issuing authorities should be warned of the political implications of a decision. Whether anything more could be done would be a matter for ministers.[17]

Although the British treasury did not object to the CRO being consulted, officials there hoped that they would not be asked to give undue weight to political considerations. A treasury official wrote: 'I should strongly deprecate being asked to tell (say) Durban that they could not have refinancing facilities because it might imply U.K. support for separatist tendencies in Natal'. The South African

17. DO 35/6470, Rumbold to Hillis, 2 Feb. 1954.
government knew 'very well that our economic and financial relations rest on a basis of mutual interests and to do them justice they have always punctually carried out the engagements they have made with us'. If the British government began to qualify the Memorandum of Understanding 'by looking to the political consequences of each application, we cannot be surprised if the South Africans began to look askance at an agreement by which we earned some £78 million of gold for the reserves in 1953, a year in which South Africa's own gold reserve was under heavy pressure'. The CRO was left in no doubt as to the treasury's attitude: 'I can imagine nothing more injurious to our own interests ... than for us to attempt to apply political criteria to proposals for investment in South Africa'. The treasury went no further than concede that special circumstances could arise when departure from a policy of non-involvement might be necessary.[18]

It is difficult to envisage how Anglo-South African economic and financial collaboration could have been much closer in the years 1951 to 1954. Any Nationalist inclinations to break away from Britain economically were held firmly in check by post-war economic realities. Havenga was experienced enough to see that the Union's own interests would be best served by co-operating with Britain and by helping her to sustain the sterling area system. Whatever

difficulties Britain might have had in balancing its trade or in re-establishing its financial independence from the United States, South Africa continued to depend on Britain for capital and as market. The Union was an integral part of the British economic world system. Havenga led the Malan government to recognise that this was so, and that sacrifices made to sustain this system would prove to be to the Union's ultimate advantage. The British government also recognised that it could not afford to upset the financial and economic collaboration by using economic means to pursue what were essentially political aims. For either side to tamper with the material basis of the financial and economic bargains which bound Britain and South Africa tightly together in mutual support was to run an unacceptably high economic risk.
Chapter 3, part 3

Defence relations, 1951-1954
Within a short time of assuming office, Churchill strongly asserted his views on the question of Simonstown's transfer. Surprisingly, perhaps, the result of his intervention was not to set British policy on a new course, but rather to uphold the line adopted by the Labour government. Churchill reacted not against his predecessor's policy but against what appears to have been an initiative by officials in the Commonwealth Relations Office. General Ismay, the new secretary of state for Commonwealth relations, seems to have been swept into advocating to cabinet a policy of handing over the Simonstown base without a firm guarantee of availability in both peace and war. Churchill resolutely refused to accept this. He continued to oppose transfer through to the end of 1954. If Churchill's actions did produce a departure from the Labour government's policy, then it was to be found in his refusal in 1954 to concede the base even when the South African government appeared willing to meet all of Britain's conditions of transfer.

The cabinet defence committee of the Labour government had reaffirmed in September 1951 that guaranteed availability of Simonstown was essential. It had intended, however, to reconsider the question after the British high commissioner discovered what attitude the political opponents of the Nationalists were likely to take on the availability issue.[1] After his arrival in South Africa in September 1951, Sir John Le Rougetel confirmed the CRO view that

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1. PREM 8/1361, Rumbold to CRO, 14 Aug. 1951; S.L.H. to Attlee, 7 Sept. 1951; Mallaby to Attlee, 7 Sept. 1951.
there was no prospect of the Union government accepting an
unqualified undertaking to make Simonstown available in peace and
war. This advice undoubtedly helped the CRO to convince Ismay that
he should put his name to a cabinet defence committee memorandum
setting out the reasons why negotiations should proceed without the
expectation of an unqualified assurance on availability. The
memorandum held that the British government could not sustain its
case for such an assurance indefinitely. The British side 'could be
gravely embarrassed if we were to break off discussions ... on this
point'. There was 'great force in the South African argument that,
as a matter of status, the Simonstown arrangement is not appropriate
as between the United Kingdom and another Commonwealth country'.[2]
Moreover, the Nationalist government had declared that the Union
would not remain neutral in a war against the Soviet Union. There
were, therefore, strong grounds for believing that 'for as far ahead
as we can see', an undertaking making Simonstown available in any war
in which the Union was engaged 'would in fact give us the security we
need'. An agreement on Simonstown would help to preserve good
relations with South Africa. In addition to the strategic and
economic considerations, there was the need to to retain control of
the High Commission Territories which 'could at any time be strangled
by the Union Government'. (The need to hold the Commonwealth together

2. The British government's own attitude to the United States
airbases in Britain, 'in that we have been careful to secure our
right to call upon the United States to withdraw their force at any
time', was 'the same as that adopted by the South African Government
in regard to Simonstown'.
was not mentioned, perhaps because this would have been more than obvious to Conservative ministers.) Ismay's main recommendation was that 'we should make a fresh start and put in the forefront the practical question of how to secure conditions which would ensure the continued efficiency of the base under South African control'.[3]

Eleven pages of argument could not move Churchill. Reopening negotiations would, he thought, be unnecessary. As colonial secretary, Churchill himself had been directly responsible for the correspondence with Smuts, during 1920 and 1921, which formed the crucial part of the understanding governing Simonstown. Churchill told the defence committee that 'we had a legal right of perpetual user on which we could justifiably stand firm'. He intended to resist any proposal which did not include 'an unqualified assurance that facilities would be available to us in both peace and war'.[4]

Simonstown was not the only issue involving defence relations with the Union to cause the Churchill government concern in 1952. The efficiency of South African armed forces had 'deteriorated seriously' due mainly to the political discrimination deliberately pursued by the Nationalist government. Senior officers who led South African forces during the Second World War were being eliminated and replaced by officers whose sentiments lay primarily with the National Party and whose war careers were 'entirely undistinguished'. The loss of

3. CAB 131/12, D(51)4, 18 Dec. 1951.

4. CAB 131/12, D(52) 1st meeting, 12 March 1952.
officers who had fought alongside British and other Commonwealth forces during the war represented a serious blow to the collaborative mechanism through which the British government could exert influence within a dominion government. Close personal relations between British and South African service chiefs, which should have followed naturally from wartime co-operation, were being disrupted.[5]

Proposals made within the British government in 1953 that Simonstown should be transferred in order to effect a financial saving were greeted with disbelief in some circles. 1953 was the year when the inescapable reality of Britain's financial weakness led to the 'Radical Review of Defence Expenditure'. Field Marshal Alexander, the minister of defence, faced directly the task of trying to reconcile budgetary restrictions with Britain's world-wide defence commitments. Writing to Lord Swinton (who had succeeded Lord

5. PREM 11/274, D(52)24, 21 May 1952. By February 1952, the Union government had done little to give meaning to its commitment, announced publicly in December 1951, to send forces to the Middle East. Le Rougetel thought that South African inaction was due to 'the inertia which is normal here' and to the fact that the armed forces were controlled by Du Toit, the Chief of General Staff (C.G.S.), and Erasmus, the minister of defence, 'neither of whom understands the issues involved but whose first concern is to promote the cause of Afrikaner Nationalism'. The CRO noted that a position in which 'the effort of a C.G.S. seem bent on slowing down the modernization of his armed forces, and pleading financial reasons which are not supported by his own Finance department, is farcical'. As it was, Havenga was 'personally convinced that the Russians have no intention of precipitating a war'. Their tactics were, he believed, to place 'as much strain as they can on the economies of the western powers'. Havenga was, nevertheless, considered to be one the best of a bad lot. Rumbold, the acting high commissioner, concluded that 'if we are to achieve progress we must see that the matter is handled by the Finance Department itself and raised at the Ministerial level'. RG 2, B 2, vol. 187, S-10, 15 Dec. 1951; DO 35/2671, file note, 30 Nov. 1951 and note by Rumbold, 8 Nov. 1951.
Salisbury and become the third man in 1952 to hold the post of secretary of state for Commonwealth relations), Alexander bemoaned the fact that he was being 'forced to make reductions right left and centre when the Chancellor understandably says that I cannot have more money, yet various other people are saying that I cannot possibly make the changes in policy which are necessary if I am to get within the Chancellor's figure'. Swinton was, nonetheless, 'horrified at the Admiralty's suggestion that they should close down Simonstown'. The Nationalist government did not deserve such a political gift. Malan himself might have been 'sound on the Commonwealth defence partnership', but Du Toit, the chief of staff, was being as 'unhelpful as he can be'. Du Toit was 'well on the way to ruining the South African Air Force by getting rid of the best English-speaking officers and some good fighting Afrikaners as well'. It would be 'a tragedy to hand over Simonstown to him'. Furthermore, Malan had not raised any difficulties over Simonstown when he was in London for the Coronation, nor at any time with Le Rougetel with whom Malan was on 'very good terms'. From a Commonwealth point of view, wrote Swinton, the closure either of Simonstown or Trincomalee 'would be a disaster; and I should have thought that whatever else the Navy could discard Imperial communications were their first charge.' Churchill was entirely in agreement with Swinton. The proposal for abandoning the base as a
financial saving went no further.[6]

There the matter rested until the summer of 1954 when Erasmus made known his intention to reopen the transfer question. Reviewing the subject afresh, J.P.L. Thomas, the first lord of the admiralty, noted that 'the advent of atomic and thermo-nuclear weapons has increased the need for widely dispersed bases'. He recommended that the British government should resume negotiations but not modify the main conditions of transfer stipulated in 1951.[7]

When cabinet met, Churchill explained that Simonstown was even more important in 1954 than it had been in 1951 in 'the light of the reduced importance of the Suez Canal and the greater uncertainty about the degree of co-operation in defence matters which was to be

6. PREM 11/1765, Swinton to Alexander, 21 Dec. 1953. Churchill noted that the savings from 'massacring these two vital fueling stations would only be half a million a year'. With the Suez canal 'almost certainly to be blocked in war, it would hardly be possible to make two worse suggestions'. He was 'sure that it would be possible to save half a million' on admiralty staff in Britain. PREM 11/1765, Churchill's personal minute, 24 Dec. 1953.

7. The secretary of state for Commonwealth relations and the minister of defence accepted this. The cabinet defence committee was unable to assemble to consider Thomas's memorandum. Thomas asked if he could assume Churchill's approval. The prime minister's response was that transfer would 'cause needless prejudice in the House of Commons'. The matter had to be brought before cabinet. Before this happened, Churchill made his views clear: to 'weaken our rights over Simonstown as settled by me and Smuts in 1921, and in 1930, is a very serious step. To do so at the same time as we are giving up the Suez Canal is in fact cutting off the remaining link between Britain and Australia and New Zealand'. He wanted a report on the facilities available at Durban: 'If as is quite possible Malan repudiates British Sovereignty, Natal will be our only hope'. CAB 131/14, D(54)30, 21 July 1954; PREM 11/1765, Thomas to Churchill, 6 Aug. 1954, and the reply, 23 Aug. 1954; FO 371/108148, 25 Aug. 1954.
expected of the South African Government in the future'. The British
government had, he thought, 'to look forward to a situation where the
South African Government deriving their strength from the Colour
question will declare itself a Republic and quit the Commonwealth'.
He could not exclude from his thoughts 'the possibility that Natal
would remain faithful to the Crown and that we should defend her
rights to an independent choice, by force of arms if necessary.'
Simonstown and Durban were 'more important to the British
Commonwealth of Nations than Gibraltar or Malta'.[8]

After an informal meeting with Erasmus at the end of August, in which
the South African minister of defence indicated that his government
was prepared meet the British conditions of transfer, Simonstown was
again discussed in cabinet. Churchill was unmoved by South Africa's
concessions. He was 'reluctant to contemplate any transaction which
would be presented as yet another surrender of the rights and
responsibilities of the United Kingdom'. Opposing the prime minister
was Swinton, who said that Simonstown was of little value without
full South African co-operation. Cabinet went no further than to
authorise further talks with Erasmus on the understanding that no
commitment would be incurred.[9]

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8. CAB 128/27, CC57(54)4, 27 Aug. 1954. Britain should not, thought
Churchill, 'be lured into bringing NATO into Simonstown'. The United
States was 'getting a footing in many parts of what was once our
Empire but I do not think our weakness has yet become pronounced as
to require American protection to preserve our rights in Simonstown'.

9. CAB 128/27, CC58(54)2, 1 Sept. 1954.
Erasmus's willingness to concede the British conditions of transfer, and his forthcoming attitude on wider defence questions, increased both Alexander's and Swinton's desire to reach an agreement. Initially, Swinton was attracted by Erasmus's proposal for a regional defence organisation in Africa. 'The important thing is to get South Africa away from the Hertzog idea of neutrality ... and to get them firmly committed to fight in the Grand Alliance'. He saw a number of advantages in bringing the Union and the colonial powers in Africa together. South Africans would find it easier to accept an international obligation rather than a Commonwealth one. In a multilateral commitment there would be less risk of the Union pulling out if it 'got at loggerheads with a Socialist Government' in Britain later on. A regional organisation would help to convince South Africa to commit its forces to the Middle East. In resisting South African pressure for the transfer of the High Commission Territories, the Union government had always been told how important it was not to jeopardise defence and economic co-operation with Britain. Furthermore, it was doubtful, under existing agreements, whether Britain had a legal right to use Simonstown during a war in which the Union was neutral. It was therefore 'supremely important to get a new agreement on availability'. Simonstown, the regional defence organisation, and the commitment to Middle East defence should, Swinton wrote, be negotiated as 'a "package" deal'.[10]

'Why', asked Churchill, 'should Mr. Malan's Government attach so much

10. FO 371/108148, Swinton to Eden, 6 Sept. 1954.
importance to the change in the status of Simonstown? It was obviously only because it was 'a step to the final severance of South Africa from the British Crown and Commonwealth'. The surrender of Simonstown would be taken as 'a symbol of Britain's decline and fall'.[11]

At cabinet's third discussion of Simonstown in less than two weeks, Alexander explained that Erasmus appeared willing to accept all of the British conditions of transfer. Swinton recalled that when Malan had raised the future of the High Commission Territories 'we had begged him to concentrate rather on those matters, including defence, on which co-operation ... promised to be fruitful'. The South African proposals for a regional defence pact 'might not be unwelcome to us as representing a move by South Africa away from neutrality'. (Against this, Eden suggested that undue importance should not be attached to a pact that other colonial powers might be unwilling to join.) Churchill rejected Swinton's argument that British use of the base might be restricted under international law in the event of a war in which the Union was neutral. Churchill recognised that the significance of Simonstown was 'largely symbolical; but he would find it hard to reconcile himself to its surrender, which would dishearten

[11] Churchill pointed out that the 'disheartening effect upon the loyal population should not be overlooked'. He drew Alexander's and Swinton's attention to a letter printed in the Daily Telegraph. A Cape resident had written: 'It is to be hoped that the British government will tell Mr. Erasmus, the designer of comic opera naval dress', that Simonstown 'is not for sale or barter'. 'This angling for the naval base is only a further step towards a South African Republic'. PBM 11/1765, minute by Churchill, 6 Sept. 1954, and extract from the Daily Telegraph, 6 Sept. 1954.
those elements in South Africa who remained steadfast in their loyalty to this country and were sadly in need of encouragement at the present time'. Although Alexander stated that a comprehensive defence agreement which included Simonstown's transfer 'might be greatly to our advantage', the cabinet merely authorised that the talks with Erasmus should be concluded on the understanding that the South African side should be left under 'no misapprehension' that Britain was in any way committed to transfer. [12]

A considerable divergence of views emerged in Whitehall over the proposals for an African regional defence organisation. Hayman of the foreign office Africa department listed 'a considerable number of disadvantages'. The African defence facilities conferences held at Nairobi in 1951, and Dakar in 1954, showed that Belgium and Portugal did not look with favour on a formal defence organisation. South Africa would 'clearly be the predominant partner'. This would have 'serious repercussions' in Britain's own territories in Africa. South

12. CAB 128/27, CC59(54)11, 8 Sept. 1954. The British commander-in-chief at Simonstown shared Churchill's attitude on the transfer of the base. The commander was 'very perturbed' at the possibility of having to move from his headquarters at Admiralty House. Its abandonment would 'deal a serious blow to United Kingdom prestige and influence both locally and in wider spheres'. No other location could have the same historic connection with the Royal Navy and the Commonwealth. This connection exerted a 'considerable stabilising influence generally and encourages pro-British elements'. Clarke of the CRO did not think sentiment should be a consideration 'or at any rate prevent an agreement obviously to our advantage being reached'. He disagreed 'entirely with the C.-in-C.'s excursion into the political field; we should be very chary about attempting to influence South African domestic politics'. DO 35/5479, C-in-C to admiralty, 28 Oct. 1954, and Clarke to Garner, 30 Oct. 1954.
Africa might in any case insist on keeping her forces in the Union rather than the Middle East. Finally, it would be better not to create yet another international organisation when one was being established in south-east Asia. Sir Ivone Kirkpatrick, the permanent under-secretary, thought Hayman's brief to be 'unduly stuffy'. Eden agreed with Kirkpatrick's recommendation that Britain should adopt a 'friendly and constructive spirit'. At an inter-departmental discussion of this question, the colonial office raised the objection that the South Africans were really thinking of a confederation of colonial powers aimed at suppressing 'nationalist feelings' in Africa. An official from the ministry of defence suggested that if the pact were limited to Africa south of the equator, it would have 'little or no military value'. Indeed, because of the probable untoward effects in colonial territories, 'it might have positive military disadvantage'. Despite these objections, officials at this meeting agreed that the proposal 'should not be rejected out of hand'. Provided it was 'clearly subsidiary to Middle East defence ... a lot could be said for supporting organisation in Africa concerned with communications, logistics, etc'.[13]

British ministers were not authorised to advance towards an agreement.

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13. Eden was dissatisfied with the formulation of British policy on the proposed African defence organisation. Cabinet's deliberations had not, he thought, been properly recorded. His advice was that the government should 'temporise' on this question. Cabinet had agreed. Furthermore, the colonial secretary had not raised any objection to the proposal. Other departments accepted Eden's version of cabinet's deliberations without the cabinet minutes being amended. FO 371/108148, note by Eden, 9 Sept. 1954, and note by Hayman, 10 Sept. 1954.
with Erasmus in September 1954 with regard either to an African
defence organisation or the transfer of Simonstown. At his final
meeting in London, Erasmus 'could not hide his disappointment'. The
Union government had been patient and had met the British government
on the issue of availability. The British response was to tell
Erasmus that a practical plan, covering both the base and the naval
command structure, had to be worked out first. He accepted that an
admiralty mission should go to the Union to work out such a plan, and
that there should be further study of Middle East defence and South
Africa's contribution to it. In their report to cabinet, Alexander
and Swinton felt bound to say that 'if further negotiations should
result in a sound and comprehensive plan guaranteeing all we need,
this would clearly be to our advantage, and rejection of it would
jeopardise the whole range of South African co-operation with
us'.[14]

By March 1955, Harold Macmillan, the minister of defence, Lord
Swinton, the secretary of state for Commonwealth relations, and
J.P.L. Thomas, the first lord of the admiralty, advised that a
'practicable and workable plan' for Simonstown and the command of
naval forces in the south Atlantic had been produced by an
Anglo-South African working party. Furthermore, the Union government
appeared willing to fall in with British strategy in the Middle East.
Alexander, Swinton, and Thomas argued that 'in the interests of
defence, of South African co-operation and Commonwealth

communications ... the agreement we can probably make is so satisfactory that we should unhesitatingly commend it to the Cabinet'. Churchill was still hanging on as prime minister when the cabinet defence committee considered the question. Surprisingly, he was not recorded as having said anything on any subject at this meeting. The committee agreed to invite Erasmus to resume discussions.[15]

So it was that, at the time of Churchill's retirement, the British government was preparing for talks with the Union minister of defence. Both sides expected that these would lead to an agreement in which the transfer of the Simonstown base would form part of a wider programme of defence co-operation. By 1954, the Nationalist government appeared willing to concede demands which, in 1951, neither British representatives in the Union, the CRO, nor the secretary of state for Commonwealth relations believed any South African government could accept. Churchill, determined to resist Britain's decline as a world power, had blocked, almost single-handedly, moves (both in 1951 and 1954) to hand over Simonstown. In 1955, with his retirement only a few weeks away, he did not stop the talks which seemed likely to lead to transfer. While elsewhere in Whitehall emphasis was placed on the strategic

15. A central concern of the committee seems to have been the arrangements to be made for Coloured workers at Simonstown. In this, the British government was thought to have a two-fold interest. The efficiency of the dockyard would depend on the continued employment of Coloured craftsmen. Moreover, a failure to protect their interests would give rise to political criticism in Britain. CAB 131/15, D(55)3rd meeting, 15 March 1955.
importance of South Africa's minerals, industrial capacity, and military manpower, on its economic significance, and on the need to retain control of the High Commission Territories, Churchill himself was almost obsessed with the need to safeguard imperial lines of communication. Nothing, not even the cohesion of the Union of South Africa itself, took priority in Churchill's own mind over maintaining a secure naval base, if not at the Cape then in Natal. Whatever other effect this obsession might have had, it seems clear that it led to a situation where the Nationalist government was prepared to concede so much, that not even Churchill himself felt able to refuse further negotiations.
Chapter 3, part 4

Atomic relations, 1951–1954
Atomic collaboration within the Commonwealth was advanced significantly by Churchill's Conservative government in the 1950s. Initially, any increased devotion to the empire on the ministerial level was more than offset in the atomic field by Churchill's conviction that the Anglo-American atomic partnership (the decline of which he blamed on the Labour government) could be revived through an exertion of his own personal influence in Washington. Projects based on the assumption that American assistance would not soon be forthcoming were held up by Churchill while awaiting personal contact, first with Truman, and then with Eisenhower. It was well into 1953 before the British government agreed to proceed with its own full scale atomic project both to produce the weapons called for by the Chiefs of Staff and to develop industrial power. The central problem became one of finding a long-term source of uranium that was not controlled by the United States. It was at that point that the British government's attention focussed on the Commonwealth, and more particularly on Australia and South Africa.[1]

Malan and his government continued to seek what political and economic advantages they could from South Africa's possession of uranium. Advantages were certainly there to be had, with an apparently insatiable American demand. As the United States government pressed forward to fulfil the raw materials requirements

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of its ever-expanding weapons programme, the British government was forced to take positive steps (often entailing an additional strain on an already weak financial position) in order to compete with American influence in South Africa.

British representatives in the 'distant land of cold war and hot dogs' (i.e. Washington, D.C.) learned, in the autumn of 1951, that the Americans were considering spending an additional $75-100m in order to double or even triple South African uranium output. Proportionately large sums would have to be put up by the British side if it were going to maintain its position as a full partner in the Combined Development Agency's (CDA) operations in South Africa. In Whitehall, where Britain's external financial position was a pre-eminent concern, doubts were raised about taking on this additional expenditure. The British high commissioner to the Union, Sir John Le Rougetel, advised that the American plan should be supported. First, there was the general need to foster good Anglo-American atomic relations. Second, American goodwill was required in order for Britain to obtain its requirements of uranium through the CDA. Third, additional expenditure would be offset by increased dollar income from the sale of material purchased from South Africa with sterling, and then resold to the Americans for dollars. (This third reason was a persuasive one, especially with the British treasury.) Furthermore, it was thought to be unfortunate from the point of view of Anglo-South African relations if Britain
abandoned the field to the United States.[2]

Much British scepticism of the American plan remained. If it could not be opposed, then perhaps it could be scaled down. R.A. Butler, the chancellor of the exchequer, and Lord Cherwell, the minister responsible for atomic energy, concluded that the plan should be confined 'to what is reasonable and economically practicable.' The American proposal for a tripling of production was thought to be neither of these. Moreover, the attempt to achieve this aim 'might have an unfortunate unbalancing effect on the general economy of the Union.' Le Rougetel was accordingly instructed that he should, as he himself had suggested, act to ensure that 'the South Africans are not persuaded, against their better judgement, to bite off more than they can chew.' The British high commissioner was thus left with considerable leeway to defend what he considered to be the interests of both South Africa and Britain.[3]

The South African government was in fact concerned about shortages of technical personnel, 'European' artisans, native labour, power, transport, and water. Assurances were sought from the British and American negotiators about the provision of the required capital funds and equipment. By the end of November 1951, Malan’s cabinet had agreed to expand production despite the expected serious impact

2. AB 16/517, Eaton to Davidson, 7 Sept. 1951; AB 16/262, note by Marten, 9 Oct. 1951; Le Rougetel to CRO, 7 Nov. 1951; Gowing, Independence and deterrence, pp. 364, 391.

3. AB 16/262, CRO to Le Rougetel, 13 Nov. 1951; Le Rougetel to CRO, 7 Nov. 1951.
on the economy. Output would rise from an expected 800-1,000 tons per year by 1955, to 3,000 tons per year by 1956. A strong financial incentive for expansion had been provided by the Americans. A new formula involved a 30% increase in the average price. The required capital, amounting to $126m over the years 1952 to 1956, would be supplied two-thirds by the United States and one-third by Britain. As before, one-third of the output would be paid for by Britain in sterling. As the British government was discovering, the commercial basis of a collaborative relationship could not be acquired cheaply, particularly when American dollars were pushing up the prices.[4]

Financial constraints impinged on almost every aspect of British external policy. They were a determining consideration in the review of defence policy and global strategy which took place during the first half of 1952. The rearmament programme initiated by the Labour government at the outbreak of the Korean war had, in the absence of sufficient United States assistance, imposed too heavy a burden on the British economy. The Chiefs of Staff (CoS) had undertaken to review strategy in the light both of economic limitations as well as of the growth of American and Soviet nuclear weapons capabilities. The central conclusion was that Britain had to place increased reliance on the deterrent effect of nuclear weapons. In the absence of an agreement to obtain the required weapons from the United States, Britain would have to expand its own production capabilities. Production of fissile material should, thought the

CoS, be doubled within three years. An increase of this magnitude in plutonium output could be achieved in Britain. U-235 might be produced elsewhere in the Commonwealth where electrical power resources were more abundant. At relatively small cost, Britain could in this way increase its atomic warfare capabilities.[5]

The gradual revival during 1952 of British interest in Commonwealth atomic collaboration was due in part to the old desire to disperse production to strategically safer locations as well as to draw upon the physical and economic resources of the countries linked through their association with the Crown. More significant, perhaps, was the feeling that American technical collaboration was as remote a possibility as ever.[6] Finance, as ever, was a major constraint. Cherwell ruled that on grounds of capital expense alone, the proposal to produce U-235 elsewhere in the Commonwealth should be abandoned. More promising were the proposals for increasing plutonium production as part of an expanded civil power development programme. This, in

5. Gowing, Independence and deterrence, pp. 440, 441-3; Seldon, Churchill's Indian summer, pp. 330-32.

6. Churchill's meeting with Truman in January 1952 failed to produce the dramatic revival in atomic relations which had been hoped for. Churchill himself did not, though, lose hope. 1952 was, after all, an election year in the United States. A fresh opportunity for Churchill to exercise his personal influence might soon be presented. Churchill was disappointed by the American response to his visit to the United States in January 1953. The personal link with Eisenhower, forged during the war, apparently counted for less than the prime minister cared to believe. Gowing, Independence and deterrence, p. 421. Seldon, Churchill's Indian summer, p. 390; Foreign Relations of the United States, 1952-1954, vol. II, pt 2, pp. 1142-51, 1221-24, 1285-92; (hereafter cited simply as FRUS).
turn, might provide the basis for increased Commonwealth collaboration.[7]

The major problem confronting long-term British plans for civil power development was (rather paradoxically considering the growth of uranium production in the Commonwealth) one of finding a secure source of uranium.[8] Britain did not have access to uranium other than through the CDA. Allocation was a matter for negotiation with

7. Gowing, Independence and deterrence, pp.418-19, 446. There was a growing feeling among senior British and Canadian officials that civil atomic power development and wider co-operation within the Commonwealth should not be held back in the expectation that a change in the American attitude might drastically alter the situation. C.J. Mackenzie, the head of the Canadian atomic project, told senior British representatives in November 1952 that Britain and Canada did not have much to gain from the United States in non-military fields, and that the British government would be wise to help the Australians and South Africans to the fullest possible extent. It was more difficult for the Canadians to do this and to take an independent line so long as they were dependent on the Americans for the supply of heavy water. Canadian policy had, he thought, been mistaken in that they had mortgaged their raw material resources to the United States without obtaining any counterpart in terms of technical collaboration. AB 16/358, 6 Nov. 1952.

8. Nothing would have pleased the British government more than for uranium to have been found in the colonial empire. Northern Rhodesia had, for some time, been viewed as a promising potential source. British policy-makers differed over whether the United States should, as an act of good faith, be invited to participate there. C.F. Davidson, the senior British geologist in the atomic field, firmly believed that it was strictly a British concern: 'I consider it vital to ensure that Northern Rhodesia is not won over to the technical imperialism of the U.S.A.E.C.' It was, he thought, clearly in Britain's interest 'to ensure that the probably inevitable proposals for American circuses throughout British Africa ... are nipped in the bud.' South African offers to assist in exploration in British territories were not welcomed either - although for different reasons. There was thought to be 'no particular advantage in the South African Government taking an interest in uranium outside its frontiers, and if this interest extended beyond the purely academic it could become ... an embarrassment.' AB 16/982, Davidson to France, 29 Sept. 1952; AB 16/980, Ward to Gauty, 4 Sept. 1953.
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the United States. The existing policy was that CDA raw materials could only be used for research or weapons production. The Americans regarded existing supplies as being insufficient for their military requirements. That being so, there was little chance of a change in CDA policy. By the late summer of 1953, the British government had pinned its hopes on the possibility that Australia might make the output from her newly discovered deposits available to Britain alone. No one in Whitehall doubted that Britain would have to make a generous offer to satisfy the Australians. The United States would be competing for the same material and seemed 'prepared to pay almost any price in money or collaboration for uranium.' Collaboration in an atomic power development programme was something which Australia had long been seeking. It might, moreover, be an area where Britain had more to offer than the United States. Cherwell was sent on a special mission to Australia in the autumn of 1953. Any schemes for wider atomic collaboration with the Commonwealth had to await the outcome of his visit.[9]

The Union government itself began in 1953 to show an increased interest in the civil aspects of atomic power development. A memorandum prepared by Schonland and Naudé (two senior South African atomic officials) proposed that as soon as the various nuclear power groups had taken shape, 'it would be advisable to negotiate with one of them for membership. This may well be the British Commonwealth

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group consisting of Britain, Canada, Australia and ourselves. This, however is a decision to be made by the Government.'[10]

The Union treasury initially refused to fund any further development of South Africa's 'small nuclear physics effort'. Schonland wrote a special memorandum to Malan and Havenga advocating that a research effort should be sustained and that a move should be made to associate the Union with the Commonwealth in the atomic field. This plan was, he informed the British government, almost certain to receive the blessing of the Union cabinet. Officials in Whitehall were not so sure. The strength of Schonland's affection for the Commonwealth cast some doubt upon the value of his judgements.[11]

A further and more significant indication of the Union government's intentions emerged at the beginning of August 1953 from a talk between the British high commissioner and Douglas Forsyth. The secretary to the department of external affairs indicated that the industrial use of atomic power 'was naturally of great direct

10. Considerable British effort had gone into maintaining close ties with Schonland. He was scientific adviser to the South African Chiefs of Staff. In the summer of 1952, he had considered resigning from this position because he believed that he was receiving insufficient information to be able to perform a useful function. In Whitehall, the view was expressed that if Schonland retained his position, he could 'be of considerable value to us'. In view of the political situation in the Union, 'any change would almost certainly be for the worse'. The British Chiefs of Staff, although worried about South Africa's ability to protect atomic secrets, agreed that Schonland should make annual visits to British defence research establishments. South African authorities would not be told about these arrangements. DO 35/2562, Bendrett to Jacob, 25 July 1952.

11. AB 16/1580.
interest' to South Africa. His impression was that Britain was 'well in the van' so far as research in this field was concerned, and he hoped that 'as far as possible, future development should be on a Commonwealth basis.' This, Forsyth said, was an expression of his 'private thinking'. Le Rougetel thought that it was more than this:

I doubt very much whether Forsyth would have broached a subject of such importance to me in this way entirely on his own initiative, bearing in mind that the suggestion would be unpalatable to the more fanatical members of the Government, and that of course Forsyth himself is intensely "Commonwealth-minded".[12]

Malan and Havenga, as well as Van Rhijn, the minister of mines, were in fact aware of Forsyth's views. Le Rougetel was sure that South Africans had 'always been apprehensive about the stranglehold which the Americans are likely to establish upon uranium production in this country'. This, thought Le Rougetel, may well have prompted the prime minister 'to put out feelers through Forsyth'.[13]

The British government had no desire to discourage South Africa's interest in atomic collaboration. The basis on which a bargain could be struck was, however, unclear. If atomic collaboration were offered to the Union without a substantial quid pro quo, Australia would expect the same treatment. Britain's main bargaining counter in its efforts to secure Australian uranium for its power programme would thus be lost. The advice from the Commonwealth Relations Office (CRO) was that 'even if we have to be very cagey for the time

13. AB 16/1580, Pritchard to How, undated.
being', it would be in Britain's long-term interests to take advantage of the South African initiative. 'We should', thought Pritchard, 'certainly do our utmost to avoid appearing to brush them off'.[14]

As the British government recognised, the existence of South Africans in positions of authority who were anxious to promote close Commonwealth relations could increase British influence in political and commercial affairs. Their existence was, nevertheless, no substitute for having a British representative on the spot advancing Britain's interests. In order to save Britain the cost of a senior official's salary, the office of the CDA in the Union had been left in the hands of an American. After suggestions from the British high commissioner that there would be 'real advantage, both on political and trade promotion grounds in having a first-class United Kingdom assistant in the Agency', Whitehall conceded that a British subject should be found for the job. It was less than willing to admit that trade promotion should be one of his responsibilities. Warnings from sympathetic South African officials and businessmen were needed to convince the CRO and the board of trade of this. Professor Taverner, the director of the South African government metallurgical laboratory, insisted more than once in the autumn of 1953 that British trade was suffering due to the lack of representation in the CDA office. A.W. Snelling, the acting high commissioner, hoped that O.B. Soskice, the British appointee, would be fully briefed by the

board of trade and that he would work 'hand in glove with our Trade Commissioner's Office in Johannesburg'. Uranium production was, thought Snelling, 'far and away the biggest thing happening in the Union which is at the moment the United Kingdom's second best customer.' Snelling warned of the major interests which were at stake: 'the United Kingdom is losing literally millions of pounds worth of orders ... because we have nobody "on the inside" to push our interests'. Whitehall was shaken into action. It was agreed that Soskice might take a discreet interest in trade promotion if, in fact, the American representatives were found to be doing the same.[15]

Once Soskice had taken up his position in the Union, Whitehall learned that the warnings from sympathetic South Africans were well founded. Soskice reported that the CDA 'quite openly assists all representatives of American manufacturers'. Britain was missing out despite the 'strong sentiment in favour of British manufacturers and a desire to help British exports'. Some members of the mining industry were apparently 'concerned and even perturbed at the hold which "vested interests" in the U.S.A. had established in connection with the supply of plant and equipment for the uranium programme.' The absence of a British representative on the CDA (which had proved to be so advantageous to American interests) was due to little more than the desire to save £3-4,000 per year. Financial constraints

15. DO 119/1161, Snelling to CRO, 18 March 1953, Kemp to Percival, Snelling to Pritchard, 9 Dec. 1953.
had, as ever, proved to be the weak link in Britain's efforts to maintain its international position.[16]

The Union government's interest in atomic collaboration led, in August 1953, to a decision to send V.H. Osborn, the secretary of mines, to Britain to raise the matter on an official level. Only Malan, Havenga and Van Rhijn were involved at this stage. Schonland reported that the matter was being kept secret, 'presumably for local nationalist political reasons'. In London, Neil Pritchard, a senior official in the CRO, had been 'particularly struck' by what Anthony Hamilton, of South Africa House, told him. Hamilton's impression was that South African ministers 'really believe that there is something in it for South Africa and that their imagination has been struck by the general idea of co-operation in the field with the United Kingdom.'[17]


17. AB 16/1580, Schonland to Cockcroft, 10 Aug. 1953, Pritchard to How, 16 Nov. 1953, Pritchard to Liesching, 16 Nov. 1953. In preparation for Osborn's visit, the British government gave further consideration to the problem of finding uranium for industrial power development. The British Ambassador in Washington 'took a firm line' that any direct approach to the Americans on the question of releasing CDA uranium for power purposes was ruled out, and would remain so as long as there was a large gap between American requirements and world output. This, it was hoped, was a short-term problem. British policy-makers were already looking well into the future. The 'big thing' so far as they were concerned was the need for assured supplies after 1964 (when Union commitments to the CDA expired). The intention was to sound out Osborn on his government's attitude towards supplying uranium for industrial purposes directly to Britain. AB 16/1580, British ambassador in Washington to the foreign office, 2 Nov. 1953, Pritchard to Liesching, 16 Nov. 1953.
From the meeting with Osborn in London, it emerged that the South Africans 'had only very vague ideas at present about their future programme'. They were becoming anxious about demand for uranium in the 1960s, and wanted to ensure that 'if the future lay with the industrial development of atomic power, South Africa got in on the ground floor.' Beyond a request for assistance in training key personnel in reactor work, Osborn had few specific proposals. The Union government might, he thought, seek a higher price for uranium intended for industrial use. On the other hand, the South African cabinet was likely 'to attach more importance to a quid pro quo in terms of U.K. help, within the framework of a Commonwealth programme, in developing a power programme in South Africa.' Osborn said that the Union had been approached by several other nations (most notably France) with offers to build plants in exchange for uranium. Co-operation with Commonwealth countries was preferred. (The emphasis on the Commonwealth aspect of atomic development was, perhaps, an indication that the Union government wanted an arrangement made less vulnerable to criticism from Anglo-phobic Nationalists by the inclusion of Canada or Australia.) The South African policy-makers who favoured such co-operation wanted the British government to make an approach at a high level.[18]

The whole issue of atomic collaboration with both South Africa and Australia came before the British cabinet in January 1954. A


- 260 -
memorandum presented by Lord Salisbury (the minister responsible for the newly formed department of atomic energy) recommended that 'we should agree to increased technical co-operation in atomic energy with Australia and South Africa without seeking to impose bargaining conditions designed to give us an assured supply of uranium.' Lord Cherwell's visit to Australia had revealed that the Australian government was, and would remain for some time to come, unwilling to commit itself to supply uranium exclusively to Britain. There were, nevertheless, good reasons for making an offer of technical collaboration.[19] First, a close association in the development of such a potentially important source of electrical power was bound to be advantageous 'from the broad economic, political and defence points of view.' Second, the chances of obtaining uranium supplies in the future 'would be much enhanced.' Third, if technical information were withheld, 'the Americans may step in instead.' Finally, if power plants were constructed in the Commonwealth they could be used to produce plutonium and would become 'a valuable strategic source of supply'.[20] The cabinet was apparently satisfied with these arguments. It agreed to proceed with what was described as 'a case of casting our bread upon the waters'. South Africa and Australia would be given assistance 'in the hope that this

19. These arguments were put forward in the memorandum in specific reference to Australia, but they applied with equal force in the case of South Africa.

20. An additional point that applied only to Australia was that her goodwill was needed in the provision of testing facilities. CAB 129/65, C(54)7, 9 Jan. 1954; CAB 128/27, CC2(54)3, 12 Jan. 1954.
would mark the beginning of a great Commonwealth effort in atomic energy.'[21]

Previous proposals for Commonwealth atomic collaboration had foundered on fears of possible damage to Anglo-American atomic relations. Under the terms of the *modus vivendi*, American concurrence was needed before information could be passed to a Commonwealth country, even if the information were not of American origin. By the end of 1953, the British ambassador in Washington was confident that such concurrence could be secured. The softening of the American attitude on this subject was probably due less to a greater willingness on the part of the Americans to collaborate with Britain, than to an American recognition that a more open policy was an essential part of Eisenhower's proposals for the international exchange of information on the peaceful uses of atomic energy. The British government finally brought itself to embark on a programme of atomic collaboration with the Commonwealth in no small measure because the United States government was on the verge of adopting a similar policy itself - albeit in a much more grandiose and idealistic framework.[22]


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With respect to South Africa, the specific recommendation endorsed by the British cabinet was that an offer should be made to receive Union technicians for training in Britain. By late April, the way had been cleared with the United States and Canada. In Whitehall, there was some debate about how full the offer should be, and whether specific reference should be made to Britain's interest in securing uranium for industrial purposes. On the first issue, the prevailing view was that the South Africans should only be offered what they could usefully take advantage of. When it was pointed out that this meant that South Africa would, in effect, be offered less than Australia, it was argued that the two dominions were at different stages in their atomic development programmes. Any differences arose 'from their own policies ... and not from any discrimination by us.' On the second issue, there were worries that it would be unwise to disturb a 'very delicate situation' by mentioning uranium supplies. The CRO was left to decide. It proposed to let the high commissioner to the Union determine British policy after seeing Osborn and Forsyth.[23] Le Rougetel apparently concluded that the offer of technical collaboration should be kept separate from the uranium procurement question. The letter which was eventually sent from the secretary of state for Commonwealth relations to Malan seems not to have gone much further to offer to train scientists and engineers. Reference was made to South Africa's position as a uranium supplier,

but no conclusions were drawn.[24] As a preliminary to discussion
about a full programme of technical collaboration, the South African
government proposed sending a small mission to Britain.[25]

If bread had indeed been cast upon the waters, it would seem to have
been dispensed in carefully measured portions. Britain's hard-won
technical achievements were apparently too valuable a commodity to be
disposed of, all at once, in a fit of affection for the Commonwealth.

With an eye both to strengthening Commonwealth ties and to ensuring
long-term sources of supply, special care was given to the selection
of countries from which uranium would be purchased in 1954. (This
same concern for the material basis of Commonwealth relations had
been evident in 1952 when R.A. Butler, the chancellor of the
exchequer, ruled that Britain should not participate in any further
CDA projects unless they were within the Commonwealth.) In February
1954, Butler advanced the view that we 'should not get ourselves so
far committed to obtaining uranium supplies from the C.D.A. that we
no longer had the need or the resources to buy from the
Commonwealth.' It was a mistake to have allowed the Americans to
monopolise Canadian supplies. Britain should, he thought, make some

24. AB 16/1580, Garner to How, 7 May 1953; Havenga to Le Rougetel, 22
July 1953.

25. From the Union, Snelling reported the 'murky story' that the
South African cabinet had approved sending a 'sensible mission', but
then Louw had been to see Malan. It had come up again at another
cabinet meeting when 'four Ministers who, according to Osborn, have
the right ideas, were away.' Osborn then had another struggle to get
matters 'back to the right lines.' AB 16/1580, Snelling to Garner,
15 Sept. 1954.
purchases from Canada, and should keep Australia in mind in the future. Fostering close Commonwealth relations was henceforth to be a major consideration in Britain's uranium purchasing policy. The official committee on atomic energy decided that the largest proportion of Britain's 1954 CDA allocation should, despite the extra cost involved, be taken from South Africa. Purchasing the entire allocation from the Belgian Congo would have saved £730,000. Cost was considered less important than various political factors. First, Congo ore could not be used without revealing to the Belgians and the Americans the embarrassingly low rate of British uranium metal production. Second, Commonwealth sources of supply were to be developed as part of the effort to foster close relations in atomic energy matters. Third, South Africa was expected shortly to 'become the largest producer of uranium in the world' and could therefore become a valuable and reliable long-term source of supply. Fourth, particular aspects of Britain's collaborative relationship with the Union were thought to be involved: 'South African mining companies are dominated by men with pronounced British sympathies and there is little doubt that they, and probably the South African government too, would be greatly disappointed if we failed to take an appreciable part of the South African output.' Moreover, if too little uranium were taken, the South Africans would realise that the sterling paid to them was repaid to Britain in dollars by the CDA. British motives in supporting the project at all might then become suspect. In the end, 400 tons were purchased from the Union and 100 tons from the Congo. The Churchill government had, in effect,
instituted an informal system of imperial preference with the acknowledged aim of strengthening the Commonwealth. [26]

Throughout 1954, the need to foster South African goodwill was a major factor in the formulation of British atomic policy. This was evident with regard to Britain’s desire to obtain monazite from the Union. Monazite was a source of thorium which had become more valuable since the discovery that this element was needed in the production of hydrogen weapons. A British move had been made to purchase monazite from the Anglo-American Corporation without informing the Union government of the mineral’s increased significance. W.F. Jenkins, the principal finance officer in the department of atomic energy, was concerned that once informed, the Union government might be more reluctant to part with it, and might seek a higher price. He was over-ruled both by F.C. How, the under-secretary, and by W.K. Ward who said that any doubts about the effects on the arrangements with Anglo-American ‘are more than offset by our anxiety to return the friendship and full confidence of Mr.

26. Gowing, Independence and deterrence, p. 391; CAB 128/27, CC9(54)5, 14 Feb. 1954; AB 16/248, Draft paper for the atomic energy executive, 26 April 1954; DO 119/1169, Curson to Snelling, 17 June 1954. Despite the increasingly heavy financial burden involved, the British government saw no alternative to maintaining its stake in CDA operations in South Africa. Capital expenditure was expected, in December 1953, to rise as high as £51-53m for the period 1952 to 1956, and both the Americans and South Africans were interested in a further expansion. The British government had to provide one-third of this. The significance of such a sum can be seen if it is compared to the cost of Britain’s reactor programme – £17m for the first reactor, and £8m spread over five years for the second; or the cost of producing hydrogen weapons – £10m in additional capital. CAB 131/12, CAB 128/27, CC48(54)2, 8 July 1954.
Osborn on the even more important matters that we have a stake with the South African Government.'[27]

The same attitude prevailed in the formulation of British tactics for the negotiations over contractual details between the CDA and the Union government. Sir Edwin Plowden, chairman of the newly formed United Kingdom Atomic Energy Authority, took the view that:

On purely commercial grounds our negotiators would naturally take a tough line but this might not suit the tactics of our subsequent approach to the South Africans on uranium for power purposes. Nor might it be advisable in view of our wider relations with South Africa and the fact that in the original negotiations she did not take full advantage of her strong bargaining position.[28]

South African goodwill, painstakingly accumulated, would be needed most once the American government had been persuaded to allow CDA uranium to be used for power purposes. Until this Anglo-American issue were resolved, the British government would have to wait, and hope that South African interest in Commonwealth collaboration did not dissolve with the departure of Malan and Havenga from the political scene in November 1954.

Just prior to the change of leadership, Le Rougetel himself reported that Strijdom's regime 'would probably mean the re-creation in South

27. AB 16/980, Ward to Jenkins, 3 April 1954.

Africa of the spirit of Kruger's republic - with a load of uranium on the ox-waggon.' The prime minister's lieutenants, Verwoerd and Louw, were described by the Canadian high commissioner as 'extreme to the point of fanaticism'. A major question facing the British government at the end of 1954 was: how far would Strijdom and Louw's presence alter Anglo-South African atomic relations? Some of Britain's network of personal connections in the Union remained intact. Van Rhijn, who had 'always been identified with Dr. Malan and the moderates', retained the mines portfolio. Osborn and Forsyth continued as the senior officials in the departments of mines and external affairs. Schonland and Taverner stayed in their influential scientific posts. On the commercial level, the British sympathies of many leaders of the mining industry were little affected by political developments in the Union. Beyond the existence of these collaborators, Britain possessed, through her atomic capabilities and her significance as a market, the material basis of a collaborative bargain. Perhaps this material reality, in conjunction with the moderating effects of direct experience with external affairs, would cool the nationalist ardour of the new leadership. After all, it was said that Strijdom's 'worst limitation is just plain ordinary ignorance of the world and the time he lives in'.[29]

Chapter 4

The Strijdom government's external relations while the Churchill and Eden governments were in office, 1955-1956

Part 1

Relations at the United Nations
The advent of Strijdom as prime minister and Louw as minister for external affairs produced a definite hardening of South Africa's posture at the United Nations. The Union delegation was withdrawn from proceedings in the Assembly in 1955. It stayed away in 1956 and 1957. The response of many delegations (including those from various Commonwealth countries) was the adoption of more conciliatory attitudes on the three issues of race conflict, the treatment of Indians, and South-West Africa. The Strijdom government's commitment to the implementation of apartheid increased the domestic constraints and international pressures acting against an alignment with the Union at the Assembly, yet the attitudes adopted by other Commonwealth delegations in 1955, 1956, and 1957 can have done nothing to dispel the National Party government's belief in the wisdom of its own unconciliatory approach.

The Strijdom government took the first opportunity at the Assembly's tenth session, in the autumn of 1955, to demonstrate its unwillingness to tolerate interference in South African affairs. The Union delegation was recalled after the passage of an Indian resolution on apartheid. This South African action provoked surprise and consternation among some other Commonwealth delegations. The Union delegation's instructions were apparently so rigid, and the suspicions of the Strijdom cabinet so strong, that no Commonwealth
The Strijdom government was equally intransigent with respect to South-West Africa. In May 1955, the South African offer to enter into a new agreement with the three remaining principal allied and associated powers of the League (i.e. Britain, France, and the United States) was withdrawn. The United Nations was informed that the Union government could not see further negotiations leading to any positive result. Later in the year, Strijdom himself declared that South-West Africa was 'no longer a mandated territory, nor, as far as we are concerned will it become one again. The Union and South West Africa have become one, and must be regarded as one nation'.

In the summer of 1955, without consulting his own government, Louw publicly turned down the secretary general's offer to introduce a mediator to bring India, Pakistan, and the Union together to settle

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1. The Union delegation's actions at the Assembly should perhaps not have come as a complete surprise. The same aggressive tactics were evident in May 1955 when the Union withdrew from UNESCO. Department of External Affairs Ottawa, (DEA), file 5600-40-8, 20 May 1955. Yearbook of the United Nations, 1955 (New York, 1956), pp. 70-1; Canada, Canada and the United Nations, 1954-1955 (Ottawa, 1956), p. 27; DO 35/7137, 12 Nov. 1955. Vandenbosch was mistaken in suggesting that a resolution on South-West Africa prompted the withdrawal. A. Vandenbosch, South Africa and the world: the foreign policy of apartheid (Lexington, 1970), p. 216.

the 'treatment of Indians' dispute. Forsyth, the secretary to the Union department of external affairs, revealed his unhappiness with Louw's handling of the matter to British representatives in South Africa. It was reported that in 'all these matters Mr. Louw is a law unto himself'. What little time he devoted to external affairs, he seemed mainly concerned to utilise, 'like Nehru', in such a way as to secure 'the maximum of publicity for internal political purposes in his own country'.[4]

The South African walk-out produced immediate effects at the Assembly in 1955. In plenary session, part of a resolution (approved earlier in committee before the walk-out) that extended the life of the commission established to study the South African race situation was rejected. All of the old Commonwealth and the United States voted against it. The Union government had made it known that any resolution which had the effect of inscribing the 'treatment of Indians' issue on the agenda of the following session would prompt complete South African withdrawal. The resolution which finally

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3. The secretary general had asked if a Canadian would be willing to act as a mediator. The view of external affairs officials in Ottawa was that while a solution to the dispute would enhance the prestige of both the Commonwealth and the United Nations, it would be wise to avoid a task which had little prospect of success 'and which could very well prejudice our relations with the two disputants'. Whitehall also recognised the dangers of mediation by a member of the Commonwealth. Ottawa was told that the CRO was 'very glad' that the Canadian government had refused to become involved in the dispute. DEA, file 5600-40-8, 9 July 1955.

emerged was modified accordingly before being passed.[5]

Louw must have been pleased with the results of his forthright policy. A definite shift of attitudes in South Africa's favour had been produced at the General Assembly. At home, his own political prestige had been enhanced by his defiance of international opinion. He led the South African delegation in the autumn of 1956. When the Assembly insisted on discussing the race conflict and 'treatment of Indians' issues, the Union delegation was once again withdrawn.[6]

The attitudes of various delegations were, in 1956, strongly shaped by the desire to prevent South Africa from leaving the United Nations. An additional concern for the Canadian government (and probably for the British, Australian, and New Zealand governments as well) was that the Commonwealth had reached a 'critical juncture' in its development. The Gold Coast and Nigeria were shortly expected to attain full Commonwealth membership. The Canadian department of external affairs thought that the Canadian delegation should not 'further complicate the issue' by supporting a resolution critical of the Union's treatment of its Indian population. If South Africa could be persuaded to accept the membership of black nations in the Commonwealth then 'she may well have to set about revising her own internal policy of apartheid'. The questions of South Africa's


Commonwealth and United Nations membership were thus seen to be closely connected.[7]

At the Assembly's twelfth session, in 1957, the less hostile attitude of some delegations was evident. The Philippines (which had been a persistent critic of colonialism) suggested that the Assembly's failure to solve the race conflict issue, coupled with the Union's withdrawal, pointed to the need for an atmosphere of persuasion rather than antagonism. The principal Canadian concern regarding the race conflict issue was that the re-establishment of the commission on the racial situation in the Union might lead the Strijdom government to sever completely its connections with the United Nations. The Philippines was involved in drafting a relatively mild resolution which did not revive the commission. It also helped to draft an inoffensive resolution on the treatment of Indians.[8]

Discussion of United Nations affairs by Commonwealth prime ministers in June and July 1957 seems to have produced a concerted effort at the subsequent session of the Assembly to keep the Union in the United Nations. In Ottawa, the department of external affairs advised


8. Some difficulties arose over parts of these resolutions which seemed automatically to include the items on the agenda of the subsequent session. An unsuccessful Canadian effort was made to persuade the Indian and Pakistani delegations to state that they did not consider inscription to be automatic. The Canadian delegation felt unable to support a resolution which it regarded with favour because it might find itself voting for something that would be the cause of South Africa's withdrawal from the United Nations. DEA, 5600-40-8, 1 Oct. 1956; Yearbook of United Nations, 1956, p. 143.
that, 'in recognition of South Africa's announced intention of withdrawing from the United Nations if the South African items are inscribed', the Canadian delegation should for the first time vote against inscription. This official advice was not fully accepted by the newly arrived Diefenbaker government, but it did agree that the Canadian delegation should go as far as abstaining. (Previously, the Canadian delegation had voted in favour.) Whatever their precise motivations, some of the other old Commonwealth delegations (as well as that from the United States) seem to have been more active in seeking to reduce the heat generated by the South African items. [9]

The more constructive atmosphere at the Assembly in 1957 had the desired effect in South Africa. The National Party government agreed that the Union delegation should return to the United Nations the following year. To a certain extent, a constructive approach on the South African issues continued to be adopted by many delegations in 1958. It would seem that for some delegations this meant aligning themselves directly against the Union for the first time, but in an effort to see moderation prevail. The Canadian, New Zealand, and American delegations departed from previous policy by voting in favour of one of the most moderate resolutions on the race conflict.

9. The Canadian, New Zealand, and American delegations questioned the desirability of adopting any new resolutions on the race conflict issue. (They abstained on the resolution which emerged on this subject. Australia and Britain voted against.) Further evidence of the desire for a more constructive approach to the South African issues was the willingness of the British and American delegations to be the principal members of the Good Offices Commission established to discuss South-West Africa with the Union government. Yearbook of the United Nations, 1957 (New York, 1958), pp. 100 and 309.
issue. They also voted for a resolution calling on the Union to enter negotiations to settle the 'treatment of Indians' issue.[10]

There have been suggestions that attitudes towards South Africa had hardened before the start of the Assembly's thirteenth session. R.A. Butler was, it has been claimed, due to visit South Africa in 1958 to deliver what became Macmillan's 1960 'wind of change' speech. Supposedly, this was abandoned when Strijdom died in office in August of that year. It is not clear from the voting patterns at the Assembly whether or not old Commonwealth governments were any more anxious in 1958 to dissociate themselves from South African racial policies than they had been in the past. The April 1958 general election in South Africa certainly gave no cause for hope that racial tensions in the Union would moderate. (In a post-election broadcast, Strijdom proclaimed that the South African electorate was 'solidly behind the Government and our policy, and that no interference in our domestic affairs will be tolerated'. As far as the 'colour question' was concerned, his government would 'continue resolutely on the course we have taken'.) It could be that the appearance of a new South African prime minister, Hendrik Verwoerd, led some other Commonwealth governments to lend what support they could in the hope

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of encouraging moderation and increasing Verwoerd's attachment to the
Commonwealth.[11]

The Canadian government seems to have been even more concerned in
1959 than it had been in 1958 to avoid provoking the Strijdom
government at the United Nations. On the race conflict issue, the
Canadian delegation (but not the New Zealand or the American
delocations) reverted to its 1957 position of abstention. This
Canadian move apparently provoked 'immediate and widespread' domestic
and international criticism. The Australian delegation also
abstained, but this represented a retreat from, rather than an
advance to, support for the Union. The Australian retreat was
reportedly the consequence of domestic controversy in which apartheid
had been linked in public discussion with the 'white Australia'
policy. The British government continued to expose itself by voting
against these same resolutions.[12]

The 1959 session proved to be the last occasion when at least some of
the old Commonwealth demonstrated their doubts about the Assembly's
right to intervene, by voting against or abstaining on resolutions on
the treatment of Indians and race conflict in the Union. Even before

11. P. Harnetty, 'Canada, South Africa and the Commonwealth', Journal
Welensky papers: a history of the Federation of Rhodesia and
Nyasaland (Durban, 1983), pp. 611 and 1232; Keesings contemporary
archives, 1957-58, p. 16170.

12. D. Anglin, 'Canada and apartheid', International Affairs, XV
(1960), p. 123; Yearbook of the United Nations, 1959 (New York,
the Sharpeville massacre, the British government had, at long last, evidently concluded that it could no longer afford to align itself so closely with South Africa at the United Nations. Domestic constraints had increased. There were calls in Britain for a consumer boycott of South African goods. The Labour Party was ready to turn to its own advantage Conservative government policies which could be depicted as support for apartheid.[13] Internationally, decolonisation was simultaneously increasing the strength of anti-colonial forces and diminishing the number of colonial powers at the United Nations. Macmillan's 'wind of change' speech at Cape Town, in February 1960, let South African know that the Union could no longer count on Britain's support at the United Nations. (Macmillan apparently emphasised this in private to Verwoerd.) The events at Sharpeville in March 1960 merely magnified the international and domestic forces which had already led the British government to seek to distance itself from the Union.[14]

At the emergency session of the Security Council called in the wake of Sharpeville to deal with the South African racial situation,

13. Harold Macmillan recorded that the Labour Party were 'trying to use the problems of Africa to reunite their divided party. They have put down what amounts to a vote of censure, especially with regard to my visit to the Union of South Africa.' H. Macmillan, Pointing the way, 1959-1961 (London, 1972), pp. 141-42; D.J. Goldsworthy, Colonial issues in British politics, 1945-1961 (Oxford, 1971), pp. 364-65.

domestic and international pressures were simply too great for the British government to accede to Verwoerd's request for a British veto against discussion of the issue. On the other hand, the 'four reasons' for preserving close relations with the Union remained valid. Despite the strength of these pressures, the British delegation only went as far as abstaining on the security council resolution on South Africa. The desire to preserve the Commonwealth connection must have been of decisive significance, for within three weeks of the withdrawal of South Africa's application to remain in the Commonwealth, the British representative declared that apartheid was so exceptional as to be not simply a domestic concern but an international issue in which United Nations intervention was legitimate. So it was not until the fate of South Africa's Commonwealth membership was sealed that all of the other members of the Commonwealth joined in aligning themselves directly against the Union on the issues of the treatment of Indians and race conflict.\[15\]

For Louw, who attended the 1960 and 1961 Commonwealth prime ministers' meetings (where the future of the Union's Commonwealth membership was decided), events at the United Nations during the late 1950s must have convinced him that an aggressive, uncompromising

approach to external relations was the most profitable that could be adopted. [16] Not only had other nations been induced to adopt less antagonistic attitudes at the Assembly in the late 1950s, but the walk-outs and the threats of complete withdrawal had proved to be popular amongst National Party supporters. Under Strijdom and Louw, the offer to negotiate a new international instrument for South-West Africa was withdrawn, proposals for mediation in the 'treatment of Indians' dispute had been rejected, and the right of the United Nations to discuss apartheid was strongly denied. The commitment of many governments to ensuring that the United Nations was a universal organisation, and the desire of some old Commonwealth countries to preserve Union membership of both organisations, increased the reluctance of the Assembly to take steps that might have precipitated South Africa's departure from the United Nations. Whether or not Louw consciously expected the Commonwealth to react, in 1960 and 1961, as the United Nations had, in 1955, 1956, and 1957, is uncertain. What seems clear, though, was that the approach adopted by Louw and Verwoerd at the prime ministers' meetings in London was the same rigid line which had been so successful at the General Assembly in New York.

16. Louw was the principal Union representative at this meeting because Verwoerd was recovering from an attempt on his life.
Chapter 4, part 2

Economic relations, 1955-1956
Havenga's retirement as minister of finance and his replacement by Eric Louw ('one of the most rabid of Stijdom's associates'[1]) may have provoked concerns about the future stability of Anglo-South African economic relations at the end of 1954. As it turned out, the change of personnel had little immediate effect. Relations continued to be characterised by full and close co-operation on the larger issues of convertibility and sterling area policy in general. Where Louw sought to apply his aggressive tactics was on the question of the monetary price of gold. Here, as Louw had to concede, Britain and the Commonwealth could be invaluable allies in applying pressure on the United States. Certain British economic interests did come under Afrikaner Nationalist pressure, but not at the inter-governmental level. The confrontation took place in the relative freedom of the international market for shares in South African corporate concerns.

The Strijdom government acted no differently from its predecessors when it advocated an increase in the dollar price of gold or when it sought additional financial returns by taking advantage of speculative demand. Frustration at the lack of progress towards a revised gold price led Havenga to warn, in 1953, that a free gold market might be opened in Johannesburg. Little more was heard of this until after his departure from the scene. In 1955, Snelling reported that if the South Africans came to the conclusion that there was no real expectation in the foreseeable future of persuading the United

1. DO 35/5632, biographical notes.
States to raise the price of gold, 'some of the wilder schemes of which Dr. Holloway is principal author may see the light of day'. One such scheme entailed giving one or more Swiss banks a 'monopoly' of South African sales. Another was that the Union should mint coins for sale abroad. 'Whether they would be sovereigns', reported Snelling, 'or would bear some republican emblem I did not enquire!' Steyn, the current secretary for finance, disliked these schemes. Nevertheless, 'the squeeze between a fixed price and rising costs' which was continually threatening those gold mines which were not also uranium producers would 'sooner or later force the Union Government to demonstrate in public that they have tried every possible expedient to stave off closure.'[2]

In principle, the British government agreed that the gold price should be raised. On the occasions when Havenga had raised this issue at the IMF, the British government felt unable to offer public support. A price rise would, as the British government recognised, improve the sterling area's overall balance of payments. Public advocacy of such a change might, on the other hand, serve only to

2. DO 35/2672; DO 119/1167, note of discussion between Butler and Havenga, 12 June 1953; DO 35/5717, Snelling to Rumbold, 26 May 1955.
harden the United States opposition.[3]

When, in the spring of 1955, it became known that Louw wanted to enlist support for a further push at the IMF meeting in Istanbul, the British treasury pointed out that a public effort would only drive the United States 'to nail their colours to the mast on no increase in the gold price, thereby making it virtually impossible to secure any change whatever happens in the future'. Moreover, there was thought to be no advantage in a concerted private effort. The CRO preferred a more positive line. A price increase would be advantageous to Britain since it would increase the effectiveness of existing gold reserves and would help to induce the Asian Commonwealth governments to keep their currencies linked to sterling. Apart from this, British support for South Africa would 'help cement our good relations with them' in both political and economic matters. Rumbold, a senior CRO official, suggested that if the June 1955 defence talks with Erasmus were successful, the British

3. There was at least one occasion when the British government considered public advocacy of a price change. This was in 1949 when Havenga was in London and Cripps called for such action. Before British representatives could raise the subject in talks with the United States and Canadian representatives, they were warned off doing so by the Americans. Havenga pressed ahead at the IMF meeting, but owing to his 'lack of finesse' the issue dropped 'with hot feelings on both sides'. The British government had placed itself in a difficult position, contriving to tell Havenga privately that it supported him, 'whilst being unwilling to get into a major row with the U.S. over it'. The 1952 Commonwealth Economic Conference agreed that there was a case for a price increase. In private, this Commonwealth view was urged without success on the United States government in 1953 and 1954. No public support was given by British representatives at the IMF meetings either in 1953 or 1954. DO 35/3520, Costar to Pritchard, 15 Sept. 1949; T 236/4246, note by R.S. Symons, June 1957; DO 35/5717, Snelling to Rumbold, 26 May 1955, and draft brief by D.A.V. Allen, 7 July 1955.

- 282 -
government 'ought to try and help the South Africans as far as we can about the price of gold....' The CRO hoped that it would be possible to 'steer a middle course' and that 'we would not close our minds ... to our giving Louw at Istanbul some mild measure of public support'.[4]

The Bank of England favoured the adoption of a more energetic line on the gold price question. The British treasury altered its view after talks with Louw and Steyn. Those two South Africans indicated that some of Holloway's schemes for increased gold earnings were under consideration. In an effort to dissuade the South Africans, Bolton, of the Bank of England, pointed out that demand for hoarding had died away. Russia had emerged as a regular seller, with most of this gold going through London. The opening of a new market in the Union would have a bad effect on international confidence in sterling. As a consequence, the collective approach on convertibility would be adversely affected. The impression would be created that the Union was moving away from the sterling area and the Commonwealth. Moreover, the level of demand made 1955 'the worst time in 20 years' for such a step. The one South African proposal which was regarded as being feasible was the sale of gold against transferable

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4. DO 35/5717, Allen to Stamp, 2 June 1955; Rumbold to Allen, 5 July 1955; Rumbold to Laithwaite, 18 June 1955.
sterling.[5] Bolton thought that the simplest solution was for South Africa to share the profit from the Bank of England's operations in the transferable market. R.A. Butler, the chancellor of the exchequer, undertook to support Louw's efforts at Istanbul to secure an increased gold price if the transferable sterling issue were resolved satisfactorily.[6]

Such a resolution was achieved in July 1955. Butler and Louw agreed that the British government would make 'additional payments to South Africa at the end of each six monthly period as if as much as half of South African gold sales in the United Kingdom had earned a premium by being executed against transferable sterling'. In confirming this agreement, the Union cabinet acknowledged that a free gold market in the Union would not ensure greater benefits for South Africa. The desire to avoid any measure which might have an adverse effect on sterling, and on the collective approach, 'weighed equally heavy' with Strijdom and his cabinet colleagues.[7]

At Istanbul, Louw made an 'admirable' case for an increase in the gold price. Butler and Fadden, the Australian minister of finance,

5. As a step toward convertibility, certain parts of the world were able to buy a type of sterling which was convertible into hard currency. The premium at which this transferable sterling was sold would disappear if all South African gold were sold against it. The British side thought that up to half of such gold could be sold at a premium against transferable sterling as long as the operations were kept secret.

6. DO 35/5717, draft brief by Allen, 7 July 1955, note of meeting, 15 July 1955.

7. DO 35/5717, Butler to Louw, 27 July 1955.
lent their support. Care was taken to avoid provoking the United States government whose representatives confined themselves to a statement that a price rise would be inflationary.[8]

Berridge has misjudged Louw's intentions. As minister for external affairs, Louw made insistent demand for an African defence organisation. As minister of finance, he wanted to secure both support for an increased gold price and more profitable arrangements for the disposal of the Union's own gold output. No evidence has emerged to suggest that Louw applied economic pressure to secure the transfer of the Simonstown naval base as Berridge has suggested. In the one clear case where the economic and defence negotiations impinged upon one another, the British government seems not to have made concessions in the defence field in response to economic pressure, as surmised by Berridge. On the contrary, the British government, in July 1955, was inclined to make concessions in the economic field in response to the Union's co-operative attitude on Simonstown. Where Louw did apply economic pressure (i.e. with respect to sales of gold against transferable sterling), he seems to have been successful.[9]

An area where British economic interests were threatened more directly by Afrikaner Nationalist ambitions was in the control of major South African corporations. In the summer of 1956, the British

treasury learned that Israel Blankfield, a customer of Volkskas (the so called bank of Afrikanerdom), wanted to acquire the total issued share capital of the Central Mining and Investment Corporation.[10] As a British official noted, the main importance of this corporation was 'its strongly British character'. It had additional significance in that it controlled the Argus chain of newspapers. This was thought to be the element in the proposed transaction which would give Blankfield leverage with the Nationalists. A takeover 'would be a very notable advance for Afrikaner finance into the control of the mining industry'.[11]

Sir Gilbert Laithwaite, the permanent under-secretary at the CRO, was certain that Blankfield's ambitions should be resisted. The gold mining industry and connected developments had, Laithwaite noted, 'very largely originated and been financed from this country'. They 'still represented something of great importance from our point of view'.[12] Liesching, the British high commissioner to the Union, fully agreed with Laithwaite's analysis. The acquisition of Central

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10. Blankfield described himself as a 'nationalist but not a member of the National Party'. The national newspapers of the Union should, he thought, be 'controlled rather from South Africa than London and that the important Argus group of newspapers should be used to underline the similarities in views between the two major sections of the European population in South Africa'. He had a vision of using South African control of Central Mining 'to help forge a United States of Southern Africa which would embrace the Union, the Protectorates, the Central African Federation and Kenya'. T 236/4245, Baillieu to Walker, 16 Aug. 1956.


Mining by Afrikaner interests 'would put them in a position to penetrate the considerable range of companies here in which the Corporation has an interest'.

The spreading of Afrikaner financial influence may well be natural and inevitable - it is certainly no new phenomenon - but it is by no means a development we should welcome. Its characteristics are its extreme exclusiveness - it is for example, certain that Volkskas would win Central Mining's account from Barclays if Blankfield succeeded - and the sympathy it can command in the Nationalist Government, which I believe will be used, when the time is ripe, to win discriminatory favours against British or British-South African competitors'.[13]

With regard to the Argus company, Liesching believed that it produced 'the only moderate and balanced newspapers of any rate to be had in this country and it would be a disaster if they fell under the control either of the Nationalist or the anti-Nationalist political factions'. There was 'not only a self-regarding reason for United Kingdom financial interest but also a wider political reason of considerable importance for preventing the company passing into unsuitable hands'.[14]

The British treasury was disposed to agree with the CRO assessment but thought that 'it was not immediately clear that we had any power to intervene, either by way of exchange control or of blocking the change of domicile of the corporation'. Cobbold, of the Bank of England, thought that the only power at Britain's disposal was to

refuse the change of domicile. This power was not, however, easy to use. It would be easier to 'try to fob off Mr. Blankfield'.[15]

By September 1956, Central Mining was proposing to defend itself through a merger with Consolidated Gold Fields. Liesching suspected that the merger proposals would not deter Blankfield 'but may even incite him to greater efforts'. By October 1956, Blankfield had turned his attention to the Anglo-Transvaal Consolidated Investment Company. In March 1957 there were warnings that Central Mining was once again under threat. An effort was made to stave off this bid by the transfer of Central Mining shares to Englehard Industries (a British company controlled by United States interests). In the end, the Afrikaner bid was defeated. A new holding company was formed in the Union to take over, and protect, Central Mining.[16]

This bitter corporate struggle between British and Afrikaner financial interests seems not to have disturbed the placid surface of close inter-governmental co-operation. The real fighting took place in international share markets where governments could intervene only at the periphery. At the governmental level, Britain and South Africa remained closely bound together by self-interest and mutual


16. This was an expansion of the Englehard - Anglo-American grouping by other concerns including Rothschilds and International Nickel of Canada. T 236/4245.
dependence. This did not mean that those two countries were financial and economic equals. It was, after all, a British world system which South Africa was committed to supporting, not a South African one. Even in the late 1950s, there seemed, from the South African perspective at least, to be no effective alternative to continued participation in this system. South African economic pressure could, as Louw demonstrated with respect to transferable sterling and the gold price issue, be exerted on the British government to obtain limited ends. It could not provide sufficient leverage to realise major ambitions such as an African defence organisation. The required South Africans threats would not have been credible. The Nationalist government had too much to lose politically if it provoked an economic crisis. In 1955 and 1956, and indeed until the time of South Africa's departure from the Commonwealth, there seems to have been relatively little danger of a deliberate major breach in Anglo-South African economic relations. South Africa's economic prosperity was too closely intertwined with the health of Britain's international financial position for either side to have willingly permitted this.
Chapter 4, part 3

Defence relations, 1955–1956
Even before Churchill's retirement, there was a widely accepted expectation within the British government that further discussions with the South African minister of defence would produce an agreement to transfer the Simonstown naval base. In 1954, the South African government indicated its willingness to concede the British demand which had been the main stumbling block in 1951. This was that Britain should have full use of the base in any war, including one in which the Union was neutral. By 1955, South Africa appeared willing to meet almost any reasonable condition of transfer which the British government could put forward. To be sure, there were issues, such as South Africa's commitment to Middle East defence and the provision of safeguards for Coloured workers, which were as yet unresolved. Furthermore, there emerged a strong South African desire both for a conference of African colonial powers to act as a counterpoise to the Afro-Asian conference at Bandung, as well as for a regional security agreement covering Africa south of the Sahara. Nevertheless, the lengths to which the Nationalist government was prepared to go to satisfy Britain's naval requirements meant that further hesitations by the British government on the transfer question might have upset the delicate symbiosis of British co-operation with and containment of the Union.

Erasmus revived the proposal for an African regional defence organisation in the Union Senate in February 1955. The emphasis that he placed on the defence of Africa south of the Sahara did not encourage British ministers. 'I have no love for this scheme', commented Eden. 'I should imagine that it would do us more harm than
good to be associated with it...'. 'We certainly ought not to father it', noted Lord Swinton, 'or to make ourselves responsible for initiating discussions about it with other countries.' The opposition and the government in South Africa were united in support of 'this rather tiresome project'. There was, thought Swinton, no hope of getting them to abandon it.[1]

More objectionable in British eyes than Erasmus's proposal for an African defence organisation, was Louw's 'horrifying' plan for a pan-African conference. 'I am sure that we shall be asked to join the awful party; and I am sure that we should do no such thing', wrote Swinton. The secretary of state for Commonwealth relations (who described Louw as a 'bad man') thought that 'if we are to scotch this project... we shall have to be much more forthcoming on the Erasmus African Defence Organisation provided it has a different and much less objectionable purpose and can be made a counterpart of the scheme for the defence of Africa as a whole in the Middle East'. Lord Reading, the minister of state at the foreign office, took a similar view: 'Mr. Louw's ideas are thoroughly objectionable and in order to circumvent them we may be driven to go a short way - the shortest

1. FO 371/113481, note by Eden, 11 March 1955 and Swinton to Macmillan, 11 March 1955. The British government could not easily deflect South African ambitions by pointing to an absence of interest from other colonial powers. The Portuguese and Belgian governments were thought to dislike the idea. The French government, on the other hand, was reportedly attracted by it. Nor could the British government easily convince the Union to increase its efforts in the Middle East when Britain's own position there was in a state of flux. DO 35/7139, Jasper to Churchill, 27 Sept. 1954; F0 371/113481, note by Hillier-Fry, 12 March 1955.
possible - with the Erasmus defence plan'.[2]

The erection of a political facade that would only draw unwelcome international attention to African defence co-operation was something the British government preferred to avoid. The Union government, on the other hand, attached the highest importance to becoming part of some multilateral defence agreement. Participation in such an agreement would demonstrate that Nationalist racial policies did not undermine the Union's external security. Sir Percival Liesching, the British high commissioner to the Union, warned that failure to satisfy this South African desire might lead the Union into isolationism - a possibility not to be dismissed lightly. South African disappointment could, however, be reduced by a forthcoming British attitude on Simonstown. Transfer of the base, noted Liesching, 'ought to create sufficient goodwill in South Africa to offset any odium that might be incurred from turning down the proposals for an African Defence Organisation'.[3]

Ministers in Eden's new Conservative government accepted the recommendation that an African defence organisation should be included in the agenda for talks with Erasmus. Lord Home, the secretary of state for Commonwealth relations, and Selwyn Lloyd, the minister of defence, had advised that a further 'and probably final'
round of negotiations could not be put off any longer 'without incurring South African suspicions and a loss of goodwill.' Furthermore, early talks would provide an opportunity to secure a South African commitment to Middle East defence before Erasmus went to Washington. Otherwise, he might give the United States government a poor impression of Commonwealth resolution to defend this gateway to Africa as far forward as possible. (Erasmus apparently had 'parochial ideas about hedgehogs along the Limpopo'.) Finally, Home and Selwyn Lloyd advised, 'we want South Africa to buy British and we should get in our say before he becomes the target of American sales talk'.

The cabinet defence committee was also asked to consider whether the Simonstown settlement should be used as a bargaining counter 'to put pressure on the South Africans over the Middle East'. If Erasmus

4. FO 371/113481, minute to Eden, 29 April 1955. Although Erasmus had been told that an African defence organisation would be discussed, there remained a considerable divergence of views among officials in Whitehall on this subject. Both the foreign and colonial offices considered that it would be preferable not to offer even small concessions to Erasmus on the proposed African defence organisation. One CRO official noted that 'the wider, and to the CO possibly more frightening, Louw proposals can be used as a weapon for persuading' the colonial office to accept the Erasmus proposals. The foreign office recommended that Macmillan, the foreign secretary, should support the colonial secretary's objections to any extension of the Dakar-Nairobi arrangements. The cabinet defence committee did not accept the recommendation, endorsed by Home, Selwyn Lloyd, and Thomas, that the British government should give formality and substance to the recommendations of the Nairobi and Dakar conferences. The committee agreed that the government should go no further than an offer to explore the possibility of holding further conferences on communications and logistics. DO 35/7139, Ormond to Morely, 27 April 1955; FO 371/113482, note by A.E. Bromley, 9 June 1955; CAB 131/16, DC(55)3rd meeting, 10 June 1955.
'will not or cannot enter into a firm, prompt and worthwhile commitment over the Middle East, we suggest that he should go back to his cabinet again’. In the 'last resort, ... we should probably have to settle over Simonstown. But we feel that if he is not prepared to enter into a Middle East commitment now, it is worth insisting on another round of talks'.[5] Lord Mountbatten, the chief of naval staff, pointed out that it would be unwise to allow Erasmus to return to South Africa without a settlement on Simonstown. His position 'might then be undermined and our chances of obtaining a satisfactory agreement on Simonstown would be seriously prejudiced'. It was of the 'utmost importance' to the Royal Navy that 'our use of this base in war should be secured'. Furthermore, the Union government had already approved an expansion programme including the purchase of British ships at a cost of £20m. If an agreement were not concluded, this might fall through. Eden himself questioned the wisdom of linking the Simonstown agreement too closely with a South African contribution to Middle East defence. He thought that Erasmus's anxiety to reach a settlement on Simonstown should be used to ensure that transfer took place on the best possible terms. Transfer was likely to be subjected to scrutiny from both the right and the left in Britain. The agreement was most vulnerable from criticism from the left on the grounds that it afforded inadequate safeguards for the continued employment of Coloured workers at the base. (Earlier in the year, the CRO had suggested that it would be 'politically

5. PREM 11/1765, DC(55)10, 7 June 1955.
impossible' to expect the Union government to give any undertaking about the future employment of Coloured workers.) Eden proposed that it should be the British aim 'to improve that part of the proposed agreement so as to protect ourselves from the criticism that we were conniving at discrimination against coloured people'. The committee agreed with Eden's assessment of British aims. These were: first, a satisfactory agreement on Simonstown should be obtained; second, South Africa should make a commitment to Middle East defence; and finally, the British government should decline to enter into an African defence organisation.[6]

After talks with Erasmus began, cabinet's guidance was sought on whether the British aim should be to conclude an agreement on Simonstown together with a promise of military staff talks on the Middle East, or whether, in the absence of a firm South African commitment to Middle East defence, the talks as a whole should be adjourned. Eden said that he would 'not place too high a value on a South African undertaking to contribute towards the defence of the Middle East'. Secret staff talks would 'give us about as much assurance of eventual South African support in this area as any formal commitment by the present Government of the Union'. The proposed agreement was defensible as far as strategic considerations were concerned. It was more open to criticism 'on grounds of discrimination against coloured workers'. Eden placed particular

emphasis on this. Cabinet agreed that every effort should be made to persuade Erasmus to give a firm assurance that racial discrimination would be avoided in the recruitment of new labour for the dockyard. Cabinet also agreed that, subject to this, an agreement on Simonstown should not be prejudiced by insistence on a firm South African promise of co-operation in the defence of the Middle East.[7]

British negotiators succeeded in securing additional safeguards for the future recruitment of Coloured workers. The base would be transferred at the relatively early date of 31 March 1957. Britain was to be paid £750,000 for transferred facilities. (£900,000 had been sought.) Erasmus went no further towards a firm commitment to Middle East defence than acceptance of secret staff talks. In accepting this, he had gone 'a good deal further' than previously. The British side resisted an African defence organisation but accepted that a conference should be held along the lines of those held at Nairobi and Dakar.[8]

The most important British objectives, as defined by the cabinet, had been attained. There was, nonetheless, some dissatisfaction in the foreign office regarding Middle East defence. It would, thought Caryl Ramsden, 'be a mistake to tie up with the naval agreement an agreement on Middle East and African defence, which is far from

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satisfactory to us'. [9] Evelyn Shuckburgh adhered to the view that the understandings on African and Middle East defence were of practically no value to us and contain dangerous commitments for us. The only thing we get out of the transaction is the agreement of the South Africans to have staff talks ... without commitment. In return we undertake to sponsor a conference which we do not want and which will complicate our relations with the French, the Portugese etc., and we declare our intention to contribute forces to the defence of Southern Africa and Africa although I can't imagine we have any such intention. [10]

Sir Ivone Kirkpatrick, the permanent under-secretary, agreed with Shuckburgh that the game was not 'worth the candle'. It would be preferable, they thought, to let Erasmus 'go home and meditate for another 6 or 12 months on the problems of stopping Russian armies anywhere south or west of the Zagros mountains' in Iran. [11]

Lord Reading, the minister of state at the foreign office, brought his department's objections before the cabinet defence committee. Other members of the committee showed less concern about these issues than about improving safeguards for Coloured workers. Selwyn Lloyd admitted that the understanding on the defence of southern Africa was the least satisfactory part of the agreement. The committee was prepared, nevertheless, to recommend that an agreement be concluded on the lines reached with Erasmus. [12]

11. FO 371/113482 notes by Shuckburgh and Kirkpatrick, 27 June 1955.
The full cabinet also gave its assent. There remained the task of breaking the news to Churchill. Considerable attention was devoted to explaining how the agreement represented an improvement over those which were put forward in 1951 and 1954. The previous South African force commitment to the Middle East 'was of no value in modern conditions and the South African Government had done nothing whatever to build up forces to meet that commitment.' No new commitment had been obtained, but there would be staff talks, and Erasmus had said that an expeditionary force would be built up. A further advantage of the 1955 agreement was that Britain had avoided involvement in any form of African Defence Organisation. On the naval problem 'we have certainly achieved a much more favourable agreement than was contemplated in 1951'. Unlike the 1951 proposal, Britain and its allies would have use of the base in any war. At that time there was no idea of setting up a naval command structure of the kind which had been agreed in 1955. The new agreement ensured that the British commander-in-chief, south Atlantic, would have command over South African naval forces in any war in which Britain and South Africa were engaged. There was a clear recognition of his responsibility for organising and co-ordinating the combined training of Royal Navy and South African navy ships. He had the right to call for reports on the readiness and efficiency of the forces earmarked for his command. He would also have a say in South African maritime war planning. Finally, a satisfactory statement of South African intentions concerning the recruitment and conditions of employment of Coloured workers had been obtained. 'If we were ever to make an
agreement with the South Africans at all,' wrote Eden, 'I am sure these are the best terms we could get.'[13]

Whatever the perceived advantages of the agreements, both sides subsequently encountered difficulties in realising their wider ambitions. Erasmus's desire to invite other countries to join in co-operation on the defence of sea routes ran into objections from the British admiralty. A chief worry there was that French and Portuguese participation 'might prejudice the chances of obtaining command arrangements satisfactory to the United Kingdom, or perhaps we might say the Commonwealth'. The British cabinet had more to consider than the issue of which country would provide the supreme commander. The High Commission Territories were an inescapable concern. In discussions with Erasmus in October, British ministers were anxious to be as helpful as possible. They agreed that if the work of the joint Anglo-South African maritime planning committee revealed a satisfactory identity of view, other countries might be invited in January to attend a conference in Cape Town.[14]

On the British side, it was found that progress towards a South African commitment to Middle East defence could not easily be made. The weakness of collaborative links in the defence field continued to plague British plans. Staff talks could not be expected to produce


- 299 -
results without the attendance of Du Toit, the chief of general staff. In South Africa, it was 'always necessary to start at the top and work downwards rather than vice versa'. Du Toit remained 'utterly sceptical' about the utility of the proposed talks. He maintained, 'to the point of rudeness', that they would be a waste of time because there was no proper plan for Middle East defence. The need was to persuade him that Britain did have such a plan. Until United States intentions were known, this would be difficult. The British chiefs of staff thought that Britain would be in a much better position once Pakistan had acceded to the Baghdad Pact. Erasmus made his government's position clear in October 1955. Staff talks could proceed, but there could be no South African commitment until firm arrangements with other countries concerned with Middle East defence were in place.[15]

Prior to the negotiations which produced an agreement on Simonstown, it had been agreed in Whitehall that the British government should stall on Louw's proposal for a pan-African conference. It was recognised that he was unlikely to be satisfied with a conference on logistics and communications as proposed in the Simonstown agreements. The foreign office was sure that Louw should be given no encouragement to believe that Britain would be prepared to attend such a conference. Sir Gilbert Laithwaite, the permanent under-secretary at the the CRO, warned his minister that

We do not want to have a first class row with the South Africans at present in view of the difficult questions coming up over expansion of Commonwealth membership and the vulnerable position of the territories, particularly Basutoland. Economically, South African trade, particularly gold and uranium, is also important to us, though equally to them.[16]

Louw's technique was to be 'rude, combative and highly controversial'. Laithwaite saw no reason 'why we should should take all that too seriously or to allow ourselves to be pushed off our stance' just because because Louw was disposed to take a stiff line. The permanent under-secretary's own instinct was, 'with the utmost politeness, to take a fairly firm line'. The Union minister of finance and external affairs should be told that 'like it or not and rightly or wrongly', the South African handling of the apartheid issue had created an extent of resentment which could not be ignored by the British government. This was the sort of 'shock treatment' to which Louw might respond.[17]

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17. DO 35/7139, Laithwaite to Home, 13 July 1955. There were fears in Whitehall that the rejection of Louw's pan-African conference might lead to an anti-British reaction. Everything depended, thought Liesching, on the issue which confronted the Strijdom government in the middle of 1955. This was the removal of Coloured voters from the common roll. The Nationalist government could command insufficient support to overturn, by fair means, the safeguards entrenched in the constitution. Could it succeed if resort were made to devious means? The Nationalists 'might just get away with it' if they declared a republic. If the Union seized the High Commission Territories, 'they would probably get away with it domestically'. Over leaving the Commonwealth 'there would be a considerable political cleavage'. 'But some of the Cabinet', wrote Liesching, 'are surely sensible enough to realise that, despite Mr. Louw's violence of phrase, they have very few friends in the world today'. DO 35/7139, Leisching to Home, 13 July 1955.
The secretary of state for Commonwealth relations was told by his department that the 'most dangerous' of the issues which could divide Britain and the Union was the future of the High Commission Territories. If the Union government decided to make the Territories a major issue, to isolate them economically, and to fight over them politically,

we would have grave difficulty in maintaining Basutoland (Bechuanaland borders on the Central African Federation and Swaziland has an outlet to the sea through Portuguese East Africa). But quite clearly public opinion in Britain would not tolerate or acquiesce in unilateral action by the Union in respect of the Territories ... and much graver issues might be involved in terms of U.K./ South African relations and of South Africa remaining a member of the Commonwealth if ... this matter were to be forced to a showdown.[18]

Despite these dangers, British government was thought to be 'in a stronger position than appears to take a strong and definite line with Mr. Louw (who ... may not necessarily have 100% support inside his Cabinet if he makes a false step).' The pan-African conference was 'very much Mr. Louw's personal project designed to boost his own prestige'. In essence it was a device 'to gang the white metropolitan powers up together against black men, the Asians and the forces of liberalism. We cannot possibly fall in with it'. Home thought this advice from his senior official to be right.[19]

In his conversation with Home, Louw spoke with 'great vehemence' on his proposal for an African defence organisation. He felt that his

government had given Britain 'the fullest possible co-operation over defence, over finance, and over economic issues generally'. If the British government were not prepared to co-operate over matters such as the African defence organisation, the Union government 'would have no option but to contemplate South Africa going into isolation'. Home told Louw that 'he need be under no misapprehension as to our attitude on the matter of co-operation. We were very anxious to co-operate, and our record of dealings with South Africa had consistently shown this'. Louw was told to bear in mind that the agenda which he suggested contained a large number of subjects of 'a political and inflammable kind'. It would be 'quite impossible' for the British government to contemplate these as matters for general discussion. In disregard of Louw's strongly expressed opinion to the contrary, Home insisted that it was best to proceed with a conference on logistics and communications at Nairobi.[20]

The Union government's desire to exert some influence over developments in Africa outside its borders (one of the purposes of an African defence organisation) revealed itself in the South African

20. DO 35/7139, note by Home, 13 July 1955. In a second conversation with Home during July 1955, Louw returned to the attack on the question of a conference. At Home's mention of Nairobi, Louw showed the same impatience as at the first meeting. Louw said that he was being pressed by both sides in South Africa for a conference 'and all we did was ask him to go slow'. Home recorded that Louw was 'very friendly but at any opposition to or even soft-pedalling of the conference idea a wild look comes into his eye and his complexion darkens. He is clearly itching to get these inflammable questions discussed.' 'It may be', admitted Home, 'that we shall have to agree but after Nairobi and then very, very cautiously'. DO 35/7139, note by Home, 18 July 1955.

- 303 -
manoeuvrings to establish radar protection for the Rand. The British government was wary of any plan that would enable South Africa to gain a military presence in the High Commission Territories. The CRO felt it to be 'highly dangerous for us to take the initiative in opening this matter up with the Union authorities. There is nothing they would like more than to have their defence forces operating in the H.C. Territories; this would be an edge of which they would make the maximum use for their own purposes'. During the October 1955 talks with Erasmus, it was confirmed that there would be a joint survey of sites in the Territories to be used by the Union in the event of war. In reporting this, Selwyn Lloyd noted that he, along with Crookshank and Thomas, felt that there was advantage in being as helpful to Erasmus as possible. The fields in which the British government could be co-operative with South Africa were limited. It might help 'over more difficult issues, e.g., the future relationship of the Gold Coast with the Commonwealth, if we accumulate what goodwill we can over less controversial subjects now'.[21]

The historical debate over the significance of the Simonstown agreements seems worthy of some comment. In an attempt to present a significantly different interpretation of the agreements, Berridge

21. DO 35/4529, Le Rougetel to Leisching, and note by Clark 17 Aug. 1954; CAB 129/78, CP(55)170, 3 Nov. 1955. Erasmus reportedly hoped that the United States would recommend the establishment of radar stations in each of the High Commission Territories, particularly Basutoland. A United States team, sent to the Union, was 'fully aware of the political overtones' of such a recommendation. As it turned out, suitable sites were found to be available in Union territory. DEA, file 50084-40, Gill to Pearson, 19 Sept. 1956.
has argued that Britain received 'nothing of any significance in return' for transferring the base. In his version of events, the agreements were 'wholly in the Union Government's favour'. The availability of the base to Britain and her allies and in any war, and the expansion of the South African navy with purchases from British yards, were discounted as being already assured by the pressures of the Cold War. Not only were the British gains only 'cosmetic embellishments', but the concessions made by Britain were far more significant that the 'orthodox interpretation' would admit.[22] Berridge was undoubtedly correct to have emphasised that the surrender of British sovereignty represented a 'real concession'. Churchill certainly thought this to be so. On the other hand, Berridge probably overestimated the significance of the formal British commitment to South African defence contained in the agreements. Was not a commitment to mutual defence implicit in the Commonwealth relationship which bound Britain to the old dominions? He was certainly wrong to claim that Eden's 'more conservative outlook' and his lack of 'sympathy for Black Africa' led him to foster an 'embryonic African defence Pact'. Eden saw the political

A more fundamental flaw in Berridge's analysis is the implicit depiction of defence relations as being the paramount concern of the Union government. All other aspects of Anglo-South African relations were treated as if they were cards held in the South African hand, waiting to be played in a decisive showdown in September - October 1954 and in June 1955. In this model, the winner was the side whose hand was strongest at the critical moment. According to Berridge, the British side forfeited the game, losing its metaphorical shirt in the process, because South Africa threatened to play its gold and uranium aces.

There certainly was more, as Berridge saw, to the Simonstown agreements than the concessions granted by either side in the letters exchanged between Erasmus and Selwyn Lloyd. Berridge's claim that the explanation for South Africa's 'diplomatic triumph' lay 'in greater part in the realisation of South Africa's economic power' seems open to doubt. Britain's need for gold and uranium in 1954 and 1955 seems not to have been (as Berridge would have us believe) the decisive factors. First, gold and uranium were almost certainly as important to South Africa as they were to Britain. Second, the agreements were the product of a series of diplomatic exchanges between 1949 and 1955. Variations in the magnitude of the economic power at South

Africa's disposal during this period were of little consequence to the outcome of negotiations. Third, it was misleading to describe uranium as a source of economic power, when its significance was strategic as much as economic. This is not to deny that the British government was anxious to sustain the flow of gold and uranium from the Union. No evidence has emerged, however, to suggest that gold and uranium were brought directly into play as bargaining counters to secure Simonstown's transfer. Furthermore, those elements were probably no more important in the formulation of British policy than the remaining reasons for preserving good relations with South Africa. The British government had to consider its other economic and strategic interests, its desire to retain control of the High Commission Territories, and the determination to hold the Commonwealth together.

Berridge, in partnership with Spence, has attempted to sustain, by drawing on British government documents, the thesis that South Africa 'secured the base in return for relatively little by way of concessions to Britain'. Instead of emphasising the extent to which the British government secured the objectives which it actually set for itself, Berridge and Spence have focussed their attention on revising the 'orthodox interpretation'. Flaws in this interpretation have been taken as evidence that the conclusion reached in this interpretation (i.e. that Britain did well out of the agreements) must have been faulty. Should not the agreements have been judged on what each side was seeking to achieve rather than on what various commentators have guessed to have been the major concessions?
According to Berridge and Spence, the orthodox interpretation held that South Africa was compelled to make three major concessions in order to secure sovereignty over the base. First, Simonstown had to be available in peace and war. Second, the South African navy had to be expanded with purchases from British yards. Finally, Coloured workers had to be protected. Berridge and Spence claimed that because the value of the first two concessions was less than had been supposed, and because a South African commitment to Middle East defence did not materialise, the Union government emerged from the negotiations as the winner.[24]

This analysis is misleading in that it ignores certain South African concessions which the British government regarded as essential. It also relies on questionable evidence to discount the value of the other concessions. These authors argued that the CRO's willingness in 1951 to transfer Simonstown without a guarantee of unqualified user rights demonstrated that 'less importance was attached in London' to the point 'than has been actually supposed'. The CRO did not try to deny the importance of such a guarantee. The CRO argument was that it was too much to hope that the Union would concede this point and that the British government should settle for less. Churchill, far from being 'almost single-handedly responsible for sabotaging the progress made by the Attlee government', merely

reaffirmed the conclusions reached by the Labour cabinet. If anything was sabotaged, it was the CRO effort to use the change of government to push through its preferred solution.

Berridge and Spence discounted the second concession in the orthodox interpretation by arguing that 'hardly anyone in Whitehall (no-one at all in the Admiralty) believed that a major expansion in the South African navy would occur'. The British government never insisted on a 'major expansion' as a condition of transfer. Naval expansion was only one part of a larger requirement (largely ignored by Berridge and Spence) that Simonstown should be maintained at its existing level of efficiency. This meant that there had to be a skilled South African staff at the base 'backed by a properly run Naval Service'.[25] The British government was less concerned that the South African navy should be particularly large than that an effective organisation should be established with British guidance. It could not continue to be run as a sub-department of an Afrikanerized army. Furthermore, as Eden himself emphasised, the purchase of ships from British yards would 'have the effect of linking the South African Navy to the Royal Navy for some years to come'.[26]

Another of Britain's main conditions of transfer largely ignored by Berridge and Spence was that transfer should be 'a gradual process in

25. CAB 131/11, DO(51)96.
keeping with the growth of South Africa's own forces and responsibilities and not a sudden and dramatic act'. As it turned out, the base was handed over two years after the agreement was signed and in a context of South African naval expansion and close co-operation with the Royal Navy.[27]

Berridge and Spence were certainly correct to emphasise that the British government was intent on securing a South African commitment to Middle East defence. Nevertheless, it was misleading to have described such a commitment as 'the one great prize which Britain had consistently sought throughout the negotiations and in fact signally failed to get in 1955' without explaining why the Eden government did not press harder for it. Quite simply, the reason was that the Eden government considered the agreements on Simonstown and naval co-operation to be so good that jeopardising them by holding out for a commitment to Middle East defence seemed foolish. Not only was the Union government willing to satisfy the four main requirements[28] set out under the Labour government, it also accepted command arrangements advantageous to Britain. Eden, who was doubtful of the value of a South African commitment to Middle East defence, insisted on obtaining safeguards for Coloured workers which the CRO had thought impossible to expect. Instead of a defence commitment of dubious long-term value, Britain secured additional and immediate

27. CAB 131/11, DO(51)96.

28. These were: availability in peace and war; the maintenance of the base's efficiency; the protection of Coloured workers; and transfer by a gradual process.
advantages with respect to Simonstown.

Curiously, Berridge and Spence ignored what the British government considered to be a significant concession on its part. This was the agreement to hold another defence conference on logistics and communications. That the British government was not forced to go much further than this and participate in Louw's planned pan-African conference was in fact a major British triumph. Louw, who figured prominently in Berridge's earlier analysis as the South African most likely to have been responsible for the application of economic pressure, actually made explicit threats of the sort which Berridge guessed at. Louw's aim, however, was not to secure the transfer of Simonstown. It was the launch of his cherished conference. In his massive exercise in conjecture, Berridge was correct in guessing that Louw would threaten in 1955 a major break in Anglo-South African relations. A major error was the assumption that the threat could, and did, succeed. In fact, Louw's tactics failed. He went away with no more than was already contained in the Simonstown agreements.

The British and South African governments both failed to attain all of their objectives in the dealings connected with Simonstown's transfer. It seems evident, though, that South Africa's failure with regard to African defence and the pan-African conference was more significant for the Union than the absence of a South African commitment to Middle East defence was for Britain. In the overall picture of British strategy in the Middle East, such a commitment was far down the list of priorities. In any case, as Eden noted, staff
talks (confirmed in a secret section of the agreements) would give Britain 'almost as much assurance of eventual South African support in this area as any formal commitment by the present Government of the Union'.[29] The Union government wanted a defence organisation 'to which they could give the maximum publicity'.[30] This they failed to gain, unless one considers a bilateral agreement with a formerly dominant imperial power to have been a Nationalist triumph.

The 'orthodox' view of Simonstown may, as Berridge and Spence argue, require substantial revision. Nevertheless, the 'orthodox' conclusions probably need less revision than those reached initially by Berridge, or indeed those reached more recently by Berridge and Spence. As those two writers noted, 'anxiety over Britain's general relations with the Union was a more important consideration' than the orthodox interpretation has admitted. If the British government had stronger reasons for capitulating to South African pressure than the traditional view admitted, then South Africa's failure to make significant headway with an African defence organisation seems all the more striking, as does the failure to secure transfer of the base at an earlier date on less generous terms. It could be argued, then, that the orthodox interpretation remains valid in so far as it sees the balance of advantage in the Simonstown agreements as lying with Britain.

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29. CAB 128/29, CM17(55)8.

30. FO 371/113482, note by Bromley, 9 June 1955.
The formal transfer of the Simonstown base on 2 April 1957 was undoubtedly a major triumph for Afrikaner Nationalists. They certainly viewed it as one. A major symbol of imperial subordination had been removed. A stride had been taken towards convincing a majority of white South Africans that the Union's security no longer depended on the preservation of constitutional links with Britain and the Crown. The symbolic significance of Simonstown was not lost on post-war British governments. This was one of the reasons why the Attlee and Churchill governments wanted to play for time. Nevertheless, it is difficult to see how any British government could have done significantly better out of an agreement to transfer a naval base situated in another state. A firm South African commitment to Middle East defence was not secured, but there were far larger problems to resolve there before such a commitment would have been of any use. With regard to the facilities at the base itself, Britain retained all of its previous advantages without all of the cost of maintaining it or of providing the naval forces needed to defend the Cape route. The clear implication of the argument that South Africa held the upper hand in the Simonstown negotiations is that a stronger British hand would have enabled the British government to secure more advantages for itself. What could Britain have hoped to gain by holding out for better terms? The South African navy could easily have done without the base. A continued British presence there might, at most, have been sufficiently
important, psychologically, to delay the Nationalist move to declare a republic. It would not have stopped it. What would Britain have done if the base had been retained? By the 1960s, possession of the base would have been criticised domestically and internationally as a sign that Britain was propping up apartheid. Britain would have faced the embarrassing choice of sustaining an installation that was increasingly irrelevant to her role in the world, or closing it to the detriment of the Coloured workers there, with no compensating financial or military advantages. As it was, the desire to preserve good relations with the Union, and to contain it, meant that Britain had to concede to what were, after all, reasonable demands. After the war, the British government had devoted considerable energy into persuading the old dominions to grow up militarily by developing their peacetime defence forces, abandoning parochial views of their defence responsibilities, andshouldering some of the burdens carried hitherto by Britain. Once the Union had demonstrated its willingness to do these things, the British government was not well placed to resist when the Nationalist government insisted that South Africa should be treated as a grown-up sovereign nation.
Chapter 4, part 4

Atomic relations, 1955-1956
During 1955 and 1956, Anglo-South African atomic relations continued to be dominated by the same concerns which prevailed before the retirement of Malan, and later, Churchill. On the British side, obtaining sufficient uranium for civil power development remained the chief objective. Foremost among South African aims were: first, extracting the maximum economic advantage from the possession of uranium, and second, securing a senior position among the leading atomic nations. Far from slipping into relative decline, the value of Britain as a partner in atomic development seemed, in 1955 and 1956 at least, likely to become greater than ever. Britain's technological leadership in atomic power production for civil purposes and the expectation that Britain would become one of the few significant long-term markets for uranium meant that the British government was well placed to strike a collaborative bargain with South Africa in the atomic field.

Although uranium was still in short supply in the mid-1950s, South Africa's leverage as a producer did not enable her government to dictate the conditions of sale. South African uranium output had expanded to the point where the Union was expected, in 1954, to become the world's leading producer. Canadian and United States production expanded even more rapidly, however. By 1956, the Union ranked only third in terms of total output. The very size of the South African uranium industry had become a source of weakness. A slackening of demand (which by the end of 1954 loomed as a real possibility) would affect both gold and uranium production. Any decline in their output would be a serious blow to the Union economy.
as a whole. Contracts to supply the United States weapons programme were due to expire in the early 1960s. Civil power production was expected to be the major source of demand in the future. Few countries expected to generate electricity from atomic power on a significant scale in the near future. The British government confidently anticipated that the United Kingdom would be the first to do this. Britain, then, was expected to be the major purchaser of uranium in the 1960s - a decade which promised to be a critical period for producers. By 1955, it was clear that bargaining power had shifted away from the producer to the purchaser.[1]

The prices at which the Malan government had agreed to sell uranium to the Combined Development Agency (CDA) had been determined on the assumption that the material would be used for military and research purposes. South Africa (along with other producing countries) had been asked to forego additional financial advantage in the interests of Western security. There had always been an expectation that uranium destined for commercial use would command a higher price. Unfortunately for the producers, by the time a civil atomic power market had begun to emerge, uranium had become much less scarce.

In order to use, for civil purposes, South African uranium produced under CDA contracts, the British government needed the concurrence of both the United States and Union governments. By early 1955 the

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Americans had agreed to permit this.[2] The next step was to strike a bargain with South Africa. The Strijdom government was not expected to abandon the idea of a premium on uranium destined for civil use without a fight. The British plan was to make the lifting of the end-use restriction a condition of the CDA's agreement to purchase the output of three additional South African mines.[3]

Special care was taken by the British government to ensure the acceptance of what was, for the South Africans, a most unpalatable proposal. Even V.H. Osborn was shaken when he heard of it. He was mines secretary, deputy chairman of the South African atomic energy board, and probably more sympathetic to British interests than almost any other senior South African policy-maker. Osborn, speaking for the South Africans, asked if the demand for the removal of the end-use restriction was 'a pistol at their heads.' Sir Donald Perrott of the United Kingdom atomic energy authority had travelled to the Union to deal personally with various atomic matters. Perrott defended the proposal (which was presented as originating with the CDA and not Britain alone). He argued that it was in the interests of the South Africans that Britain should develop civil uses so as to provide a long-term market. Perhaps less convincingly, he added that a two price system was not feasible administratively. While the

2. The rise of current and projected world output, which had weakened the Union's position as a supplier, had also increased the willingness of the United States atomic energy commission to allocate CDA uranium for civil purposes. Bothwell, Eldorado, p. 395.

proposal had created 'a good deal of discussion', Perrott was left with the impression that the South African officials concerned, as well as the leaders of the mining groups, generally conceded that South Africa could not expect to obtain a premium.[4]

The scientific mission which the Malan government had proposed sending to investigate British progress in the atomic field finally, after various delays, departed in 1955. (At one stage Louw tried to have Osborn excluded from the mission. After some difficulty, British representatives in the Union managed to persuade Van Rhijn that Osborn should, after all, accompany the mission.) Osborn's Commonwealth sympathies (which undoubtedly underlay Louw's distrust of him) were more than balanced by the nationalistic sentiments of some of the mission's other members. Dr J.T. Hattingh, a member of the Electricity Supply Commission (ESCOM), was described as 'an ardent nationalist ... bent on making ESCOM a purely Nationalist body.' He was said to mix politics with his electricity, 'being a firm believer in apartheid and very anxious on every appropriate occasion to persuade those doubtful of its benefits.' Hattingh thought that Britain 'should hand over at once' the High Commission Territories, in which there would be 'no development worth speaking of' until the Union was in control. Dr M. Naudé, chairman of ESCOM and member of the Broederbond, was known to be anti-British in outlook. Dr H.J. van Eck, thought to be the mission's most important

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member, was, on the other hand, a non-party man. He was described as 'the force behind every development of secondary industry in the country since the war.'[5]

Van Eck's presence was sure to increase the attention the mission would give to the establishment of new industries in the atomic field. Processing uranium oxide into uranium metal and manufacturing heavy water appeared to the South Africans to be promising areas of development. The British government had no objection to the creation of a heavy water industry, but its policy was to avoid encouraging other countries to produce uranium metal.[6] The problem was that if Britain did not provide technical assistance, the South Africans were likely to turn to West Germany for it. In Whitehall, a compromise line was proposed. Further processing of uranium concentrates would be encouraged, but metal fabrication would not.[7]

The mission's visit provided an ideal opportunity for its members to meet their British counterparts face to face - something which tended, to a remarkable extent, to make South African policy-makers more amenable to British points of view. Its members were reportedly...

5. DO 119/1161, note by Clarke, [13 May 1955]; AB 16/1806, Smith to Kimber, 28 April 1955, Schonland to Walker, 16 May 1955.

6. Restricting metal fabrication was desirable from the point of view of controlling nuclear proliferation. In addition, British metal fabrication capacity had been established at great expense. There was little desire to foster competition for it. The metal produced by other countries might, in any event, be of unsuitable quality.

7. AB 16/1806, note by the secretary of the atomic energy executive, 21 June 1955; Schonland to Walker, 16 May 1955; atomic energy executive minutes, AEX(55) 12th meeting, 30 June 1955.
strongly influenced by what they saw of the British atomic project. Van Eck was thought to have been 'greatly impressed', and Naudé's anti-British outlook 'greatly shaken'. Lord Salisbury, the minister responsible for atomic energy, had given the mission his personal attention. The South Africans had wanted to know what the British government expected to happen in the atomic field. The construction of a reactor in South Africa would only make sense if plutonium as well as electricity could find markets. Might there, the South Africans asked, be a surplus of plutonium in the near future? What would be the effect of 'an outbreak of peace' on the world price of uranium? In telling the visitors that the expansion of civil power production would sustain demand for plutonium as well as uranium, Salisbury provided a reminder that it was to the Union's advantage to make uranium available to Britain at a reasonable cost.[8]

A draft agreement on the supply of uranium for power purposes was reached during the mission’s stay in Britain. Three additional mines were scheduled under the existing CDA arrangements. In return, South African uranium was no longer restricted to military and research purposes. Osborn 'had certain difficulties with the mines and with Mr. Louw over this proposition, but everybody had come round to it in the end.' The Union government was ill-placed to hold out for better terms. Delays would reduce the period in which the mines could sell at guaranteed prices to the CDA. By using its power as a major purchaser and by operating through sympathetic collaborators such as

8. AB 16/1806, draft brief for the Lord President for use on 29 July 1955; Snelling to CRO, 8 Sept. 1955.

- 320 -
Osborn and Van Rhijn, the British government had struck an advantageous bargain.[9]

Lengthier consideration was given by the Strijdom government to other issues in the atomic field. After returning to the Union, the mission reported its findings and made certain recommendations. Applying atomic energy to the generation of electricity in the Union was not thought to be economically viable. Nevertheless, an agreement on exchange of information 'should be made as soon as possible with the United Kingdom, since they have offered to co-operate.' Furthermore, consideration should be given to concluding a similar agreement with the United States and later on with other countries which might offer facilities. Related industries should, the report continued, be developed. The production of uranium metal would be inadvisable, but uranium oxide could be processed to a greater purity. A heavy water industry could be established. Uranium marketing, the report warned, would be 'a problem of the greatest importance' when CDA contracts expired. Attempts should therefore be made to stabilize the world market.[10]

In seeking to draw strength from the possession of uranium, the Strijdom government was undoubtedly aware that it was exceptionally well placed to acquire the technology and the industrial capacity which would assure the Union of a leading position in the atomic

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10. AB 16/1806, translation of the mission's report to the Union government.
field. Such an acquisition was sure to increase its international influence. Less developed territories, such as those in Africa, could turn to the Union for assistance. These considerations must have played some part in South Africa's decision to host, in 1957, a regional conference on the use of radio-isotopes. This was attended by representatives from British, French, Belgian and Portuguese territories in Africa, the Central African Federation, Ghana, and the Union itself. At the end of the conference, delegates were informed that South Africa would welcome research workers from other countries. By taking advantage of British and American offers of technical collaboration, the Union could play a role in Africa corresponding to the ones played by the United States, Britain, and Canada on the world stage - that of dispensing nuclear technology for diplomatic, economic, or strategic gain.[11]

The South African interest in the international co-ordination of uranium marketing and production was made known to the Canadian high commissioner in Pretoria in December 1955. Van Rhijn, the minister for mines, suggested that the main producing countries should work out arrangements similar to those operating in the diamond industry. The Canadian high commissioner was 'not sure that this analogy was a happy one!' The opportunity to discuss uranium marketing with Van Rhijn was nevertheless welcomed by W.J. Bennett - the senior

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11. In 1955, the Canadian government offered a reactor to India as part of the assistance provided under the Colombo plan. International Atomic Energy Authority, Proceedings of the IAEA general conference, GC.1(s)OR.S, 31 Jan. 1958.
Canadian figure in the atomic field.[12] Other officials in Ottawa urged a more cautious line. Consuming countries (especially the United States) were bound to be apprehensive, if not openly hostile, to anything resembling a cartel. In Ottawa it was decided that full discussions with Van Rhijn should take place 'but without our giving the impression that we are anxious to have them.'[13] As it turned out, Van Rhijn decided that it was premature, in 1956, to discuss cartel-type arrangements. No international marketing arrangements appear to have been concluded until the early 1970s when conditions for producers had become desperate.[14]

A more aggressive approach was taken by the South African government in implementing another of the mission's recommendations - the development of a heavy water industry in the Union. Naudé, Hattingh, and Van Eck took advantage of British advice on the economic feasibility of various schemes. The water distillation process required a large supply of inexpensive electricity as well as abundant quantities of water. South African attention was drawn to

12. He was head of Eldorado (the government owned company which controlled Canadian uranium production) as well as president of Atomic Energy of Canada Limited (AECL) - the Crown agency responsible for operating atomic plants.


the resources of Swaziland and Basutoland. Examinations were made of the cost of using Swazi coal or Basuto water power to generate the required electricity. The official view expressed by G. Kimber of the Commonwealth Relations Office (CRO) was that 'any such scheme would be welcomed'. Concerns about the extension of South African influence in the High Commission Territories were apparently outweighed by the desire to promote economic development there. The determining factor was, in any case, not political but economic. Could heavy water be produced cheaply enough to compete with the United States dumping price? A few straightforward calculations showed that neither the Swazi nor the Basuto scheme was economically viable.[15]

The champions of South African industrial development did not give up their quest. There were other heavy water production techniques. The Union's new oil from coal plant would produce hydrogen gas as a by-product. Perhaps this could be used to manufacture heavy water. South Africa did not possess the necessary technology, but research in this field was known to be going on in Britain. A South African approach was made to the United Kingdom atomic energy authority. Officials in Whitehall welcomed the plan. The problem was that Britain was already collaborating with France and Israel in heavy water research. The French were less willing than the British to disclose information without being certain of obtaining something definite in return. (France, after all, did not have an extensive

collaborative relationship with the Union which could benefit from the generation of South African goodwill.) The British government, anxious not to disappoint the South Africans, proposed a compromise in which a South African scientist would go to Harwell and participate in the purely British areas of heavy water research.[16]

By June 1957, a general agreement with an annex on heavy water research had been approved by both the South African and British governments. The United Kingdom atomic energy authority, in approving the agreement, noted the two main considerations at stake: Britain had 'obligations to the Commonwealth in general' and 'a special interest in retaining South African goodwill in that they would continue for some time to come [to be] one of our two biggest suppliers of uranium.'[17]

The Malan government's lack of success in its pursuit of a 'special position' among the leading atomic nations seems not to have discouraged the Strijdom government. It attached considerable importance to attaining a senior position in the proposed International Atomic Energy Agency.[18] Forsyth let British officials know in the spring of 1955 that he 'was anxious that South Africa


17. AB 16/1806, AEA (57) 11th meeting, 13 June 1957.

18. Even in the atomic field the Union could not escape from international hostility towards apartheid. Her participation in preliminary discussions was criticised when the United Nations General Assembly debated proposals for the new agency. B. Bechoefer, 'Negotiating the statute of the IAEA', International Organisation, XIII (1959), p. 45.
should become a permanent member of the Board of the Agency'.[19] Permanent membership on the board carried with it increased influence in the agency. More importantly, perhaps, it conferred a measure of international status and prestige.[20]

The Union was one of the eighteen nations appointed to the preparatory commission and one of the thirteen designated as a member of the first board of governors of the IAEA. The Strijdom government must have been pleased that it had been able to wield sufficient influence to obtain what amounted to permanent membership in the

19. He suspected that India was going to be put up as a permanent member. He 'naturally disliked this.' The British and Canadian governments were in fact planning to make a joint proposition that India be given just such a position. Convincing India to accept the proposals for international control was a prominent concern for Canadian, British, and American negotiators. The Canadian government in particular devoted considerable energy to achieve this end. DO 119/1161, note by Clarke, 13 May 1955. Canadian department of external affairs, file 50085-F-40-2, memo. by J. Leger, 15 June 1956. AB 16/1808, Walker to Perrott, 9 May 1955. Bothwell, Eldorado, pp. 405-6.

20. The composition of the board of governors was one of the subjects discussed at a conference held in Washington in February and March 1956 to negotiate a draft statute for the agency. Determining the board's membership has been described as the conference's 'most difficult question, and one which required negotiations through diplomatic channels even after the Washington conference had ended'. An agreement was finally reached in April 1956. Theoretically there would be no permanent members. In practice South Africa would be one of the countries virtually guaranteed of a place on the board. Apart from the five leading nuclear powers, membership would be accorded to the nation 'most advanced in the technology of atomic energy including the production of source materials' in eight geographical areas. One of those areas was 'Africa and the Middle East' where the Union would be the undisputed leader for the foreseeable future. Belgium, which had been the largest producer for so many years after the war, could only be sure of a seat on the board every second year. B. Goldschmidt, 'The origins of the international atomic energy agency', IAEA Bulletin, XIX (1977), 17. United Nations, Yearbook of the United Nations, 1957 (New York, 1958).
executive branch of the international agency charged with controlling the development of atomic energy.[21]

What can be made of Berridge's assertion that British anxiety about future deliveries of South African uranium was one of the decisive economic considerations which forced the Eden government to transfer control of the Simonstown naval base? There is no doubt that the Union's possession of large uranium reserves increased the desire of every post-war British government to maintain close relations with South Africa. That the Strijdom government was in a position to use uranium to apply 'economic pressure' is more questionable. The crux of Berridge's argument is that it was essential for Britain to obtain South African uranium after the termination of CDA contracts, and

21. IAEA, Proceedings of the IAEA general conference, 1st session, GC.1/10. Later on, South Africa found that its position was not immune from attack. In 1977, despite the opposition of the Western powers, South Africa was replaced by Egypt as the technically most advanced country in Africa. Despite having attained a senior position in the International Atomic Energy Agency, the Strijdom government was most reluctant to commit itself to restrict uranium exports to countries accepting safeguards limiting the use of atomic materials to peaceful purposes. (The Canadian government was a leading proponent of international control and was concerned that if other suppliers did not insist on the acceptance of safeguards, Canada's chances of getting new customers might be prejudiced. An informal approach on this question was made to the Union government in the summer of 1957.) By the end of 1957, this reluctance was being attributed to the Strijdom government's 'tendency to consider uranium not so much in economic or in strategic, as in political terms: a useful bargaining counter with which to achieve desirable ends from among friendly countries.' Such 'horse-trading tactics' were already being used in other contexts such as at the United Nations. British, Canadian, and Australian representatives in the Union believed that uranium, like everything else in the Union, was being caught up in the 'vortex' of a deteriorating racial situation. L. Scheinman, The non-proliferation role of the International Atomic Energy Agency: a critical assessment (Baltimore, 1985), p.35; RG 25, acc. 84-85, 019, vol. 414, file 50219-E-40, A.E. Blanchette to S.E. Smith, 30 Dec. 1957.
that the Eden government had to make a specific political concession in order to ensure its access to that raw material.[22] The main flaw in this argument is that the Malan government had already expended virtually all of its bargaining strength in the negotiations which committed South African uranium to the CDA. Furthermore, it was already apparent in 1955 that the 1960s would be a period of weakness for suppliers.[23]

It was Britain rather than the Union that had the more powerful bargaining position in 1955. Future demand would be based on civil power production. Britain had seized the lead in this particular field. The Canadian government was already, in 1954, seeking to establish itself in the British market. South Africa did not have 'dominance of world uranium supply' in 1955. Its government was not, as Berridge suggests, in a position to pretend that there would be alternative outlets for uranium in the 1960s. If economic power were indeed being applied in 1955, then it would seem that it was the British government that was applying it, and the Union government that was forced to make the concessions. The South African


23. In September 1954 a British official recorded that both 'the Canadians and the South Africans are known to have expressed doubts about the uranium market after 1965 and only the Congo and Portugal are at present supplying uranium oxide at a price less than the $10 figure mentioned by Mr. Johnson.' Johnson, the raw materials director of the United States atomic energy commission, made a speech in September 1954 suggesting that the end of fixed price contracts was in sight and that producers would soon have to fend for themselves in the open market. AB 16/980, note by Ward, 28 Sept. 1954.
government had always expected to obtain higher prices for uranium destined for civil use. It reluctantly conceded on prices in order to expand uranium output. Such an expansion would also benefit gold production since the two elements were extracted simultaneously from the same ore. The Strijdom government would have had immense difficulty holding out for a higher uranium price when a significant expansion of two of the Union's most valuable exports was at stake.[24]

All of this is not to deny either that the Eden government wanted to foster close relations with this important long-term source of supply or that access to uranium was regarded as being essential for the future health of the British economy.[25] The problem with Berridge's analysis was that he misjudged the relative significance of the considerations which underlay British policy. This policy was not based on fear that the Union might disrupt the export of uranium to Britain. Even if the British economy were 'highly vulnerable' with respect to uranium imports, it was the United States (and not the producing countries) which determined the amount of uranium available to the United Kingdom.[26]

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25. In a meeting of the Canadian cabinet, the view was expressed that 'the U.K. was in desperate need of uranium' and that 'the import of coal was crippling the U.K. economy'. RG 2, A 5a, vol. 5775, 17 May 1956.

The crucial consideration was that the Union was a Commonwealth source of supply which British resources had played a large part in developing. The fact that much the greater part of the United Kingdom atomic energy authority's supplies were being secured from the Union was not, as Berridge deduced, a demonstration that the British government 'was extremely reliant on South Africa's uranium for most of the post-war period up to at least 1956-7'. Rather, it was evidence of a conscious policy of purchasing the British CDA allocation from a Commonwealth source despite the extra cost involved. The British government undertook to make current and future purchases of uranium from the Union for the same reasons that Britain had accepted an ever-expanding financial commitment to develop uranium production there: purchasing from South Africa would strengthen the collaborative relationship which formed an essential part of the Commonwealth association; a strong Commonwealth bond would, in turn, ensure the reliability of South Africa as a source of supply for a strategically and economically valuable commodity; and moreover, the maintenance of the Commonwealth connection had much wider political, strategic, and economic implications for Britain's position as a world power.

There seems to have been comparatively little interaction in the atomic field between South Africa and members of the Commonwealth other than Britain, at any stage after the Second World War. This was partly because of the limited material benefits which those countries
could offer one another. Before 1955, offers of atomic collaboration were almost always made in order to acquire atomic technology or improved access to raw materials. Britain and Canada were the only Commonwealth countries in possession of substantial technical capabilities and, until the end of 1953, each was severely constrained by its relationship with the United States. Of all the old Commonwealth's members, only Britain had much to gain from a partnership with a uranium producer. By the mid-1950s, the growth of world uranium output, the abandonment of obsessive secrecy, and the development of civil power capabilities meant that political and economic considerations began to displace strategic concerns as the determinants of atomic policy. This did not, however, lead to increased collaboration between the Union and other dominions. On the contrary, the growing significance of political considerations probably discouraged collaboration with South Africa, at least in the case of Canada. The St Laurent government was devoted to strengthening ties with India. The Canadian offer of a reactor to India was, as much as anything else, a political gesture. The Union's presence in the Commonwealth was embarrassing enough for Canada without any new links with South Africa being forged for their own sake. In various ways, the governments of Britain, Canada, Australia, and South Africa (at least until Smuts's departure) allowed their atomic policies to be shaped, at certain times, by broad concerns about sustaining Commonwealth connections. After 1948, Britain's seems to have been the only government for which the general desire to promote the Commonwealth ties with South Africa
played a significant role in the formulation of atomic policy.

In its first two years in power, the Strijdom government does not seem to have used uranium to pursue objectives markedly different to those sought by Malan or even Smuts. Of greatest concern to each of them was uranium's potential to further the economic and industrial development of the Union with all that this entailed for South Africa's influence in Africa and the rest of the world. Of additional concern was gaining privileged access to atomic information as well as technology, and perhaps more importantly, acquiring international status as a leading atomic nation. By 1957, the Union was well placed to lead Africa in the atomic field. In addition to its technical and industrial capacity, South Africa had obtained a senior position in the International Atomic Energy Agency.

Developments in the atomic field during the mid-1950s seem to demonstrate that Britain could find collaborators even from among men relatively unsympathetic to the British connection, if the technology or markets possessed by Britain were sufficiently attractive. Hattingh, Van Eck, and Naudé had no sentimental attachment to Britain. Yet they (and the Strijdom cabinet) were won over to the idea of close collaboration with Britain. Initially, at least, Britain was more willing than the United States to share valuable atomic 'secrets'. Furthermore, Britain was expected to be perhaps the most important market for uranium once demand generated by weapons production diminished. Britain's relative monopoly power, provided first by technological leadership (in conjunction with an absence of
competitors) and second by the expectation that Britain would be one of the few significant markets in the 1960s, proved to be short-lived. British reactors were less successful than was hoped. British technology became less attractive and Britain's significance as a market was reduced. Other powers, notably the United States, France, West Germany, and Japan, had begun to seek atomic partnerships by offering technology, markets or both. A Nationalist government might have been willing to strike a collaborative bargain with Britain when she had the most to offer. Few, if any, ministers or officials in the Strijdom or Verwoerd governments were, by the late 1950s, interested in promoting ties with Britain for their own sake. All other things being equal, those men were more likely to prefer collaboration with a power other than Britain.[27] At the time when the consequences of a declaration of a republic and departure from the Commonwealth were under consideration in 1960 and 1961, few South Africans can have worried that the loss of the Commonwealth connection would have serious repercussions for South Africa in the atomic field.

27. As it turned out, South Africa chose to build an American research reactor in the early 1960s. There seems to be no justification for Moore's statement that the 'British role in South Africa's nuclear development was inevitably more modest than that of the Americans...'. There was nothing inevitable about South Africa's decision in the early 1960s to build an American research reactor. It merely represented the defeat of British technology in a field where, for a time, Britain was a world leader. J.D.L. Moore, South Africa and nuclear proliferation: South Africa's nuclear capabilities and intentions in the context of international non-proliferation policies (London, 1987), p.83.
Chapter 5

Relations with the Commonwealth association, 1945-1961
On 31 May 1961 South Africa declared itself a republic - an act which, in the absence of an agreement to retain membership, entailed departure from the Commonwealth. Some Commonwealth leaders, most notably Nehru, Nkrumah and Diefenbaker, found it impossible to accept the membership of a government committed to repugnant racial policies. [1] For the British government, this marked the collapse of an attempt to reconcile the inclusion of a country practising extreme forms of racial discrimination in an association which had come to pride itself on being a link between white and non-white nations. The British resolve to manage this contradiction within the Commonwealth was founded on a belief in the inherent value of the system and driven by the perception that British leadership of the empire-Commonwealth was indispensible in the pursuit of two fundamental post-war objectives: economic recovery and containing communism.

For South Africans the Commonwealth was, first and foremost, a link with British imperial power. The other dependent as well as independent parts of the Commonwealth represented little more than extensions of this power by different means. This link was formed by a network of collaborative ties in which cultural affinity played a part but which stemmed largely from dependence on Britain in matters of economics and security. In the 1940s and most of the 1950s,

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1. These men were the prime ministers of India, Ghana, and Canada respectively. See J.D.B. Miller, Survey of Commonwealth affairs: problems of expansion and attrition, 1953-1962 (London, 1974), pp. 147-158.
nationalistic actions which threatened to upset seriously either economic ties or the unwritten strategic alliance with Britain carried with them a substantial risk that a domestic political faction might gain ascendency in the Union by posing as a champion of the British connection. If, on the other hand, a break with Britain occurred on an issue on which all white South Africans were united, this risk would largely have disappeared. Where such unity could be generated was with respect to the issue of white authority in Africa. It was in this connection that the South African perception of British imperial power as a force both bolstering white authority in the Union itself and protecting it against external aggressors took on crucial significance. This chapter will attempt to show that on a number of occasions after the Second World War, this South African perception was on the verge of being shaken to an extent which might have led the South Africa to leave the Commonwealth, and that by 1960 perceptions had so shifted that South Africa needed only a nudge from a few less accommodating members to prompt its departure from the Commonwealth club.

South Africa's attachment to the Commonwealth was never stronger than when Jan Smuts, the great proponent of the Commonwealth system, was prime minister. He saw in the link with Britain the opportunity to advance the interests and expand the influence of white South Africans. In return for the support given to Britain on the wider stage, Smuts expected - and on occasions even demanded - British support for what he regarded as the Union's legitimate territorial aspirations or its international rights. In formulating its policy,
the British government had always to consider that in Smuts they had
the most powerful 'ideal prefabricated collaborator' that could be
hoped for in southern Africa, and that waiting in the wings was
another brand of Afrikaner nationalist: one who saw the British
connection as an obstacle to be eliminated. Even while Smuts
remained in power, care had to be taken by the British government to
avoid provoking a serious loss of confidence in British policy in the
place which to South Africans mattered most - the continent of
Africa. A serious divergence between British and South African
policies there could, more than anything else, turn South African
opinion against the British connection, threaten British control of
the High Commission Territories, and lead South Africa out of the
Commonwealth with the consequent losses of economic and strategic
advantages as well as of prestige for Britain.[2]

The danger that the British attempt to use the Commonwealth to
sustain its influence in areas emerging from colonial rule might
provoke South Africa into leaving that association surfaced soon
after the end of the Second World War. During 1946, as the British
imperial hold on India became increasingly tenuous, questions were
raised in Whitehall about whether the extension of the close

(Cambridge, 1968); P.R. Warhurst, 'Smuts and Africa: a study in
sub-imperialism', South African Historical Journal, XVI (1984),
82-100; R. Hyam, The failure of South African expansion, 1908-1948
(London, 1972); R. Robinson, 'Non-European foundations of European
imperialism: sketch for a theory of collaboration', in R. Owen and B.
Sutcliffe (eds), Studies in the theory of imperialism (London, 1972),
p. 124.
association with Canada, South Africa, Australia, and New Zealand to include India would be to the ultimate advantage of the Commonwealth. Surprisingly, perhaps, the India and colonial offices displayed the most concern about India's potentially disruptive influence. The dispute at the United Nations between India and the Union over the treatment of Indians in South Africa was cited as an example of the 'friction and misunderstanding' which could weaken 'probably to a serious degree the cohesion of the Anglo-Saxon club as we know it.' Retaining India and its army within the imperial defence structure was accepted as being a paramount objective, but the India office suggested it would be better to establish a treaty relationship than to reshape the Commonwealth. In Whitehall this view was firmly rejected by all but the colonial office. For the Chiefs of Staff the strategic advantages of retaining India in the Commonwealth were 'beyond question'. With the issues of resisting Russian expansion, sustaining British prestige, and protecting economic interests all at stake, Attlee led his ministerial colleagues to agree that Indian membership of the Commonwealth was essential.[3]

The value attached to Indian membership of the Commonwealth increased the risk that British policy might alienate South African opinion and undermine Smuts's leadership. This was evident in the British government's deliberations on the line to be taken at the United Nations on the 'treatment of Indians' issue. The Labour cabinet

conceded that support had to be given to South Africa's legal argument that the United Nations had no right to intervene on this issue. Britain had to protect her position as a colonial power. Furthermore, while support for Smuts might adversely affect India's future relationship with the Commonwealth, to remain silent on an issue which represented a direct challenge to white authority in South Africa would inevitably cause severe damage to Britain's relationship with the Union.[4]

The desire to sustain Smuts's leadership was probably a decisive consideration with respect to British policy on the incorporation of South-West Africa. British ministerial reluctance to support the Union was not, in this case, offset by the desire to protect Britain's interests as a colonial power. Unlike the 'treatment of Indians' issue, a rejection of incorporation did not threaten to open the door to United Nations interference. Smuts went to considerable lengths (including a thinly veiled threat to leave the Commonwealth) to prevent African opposition (led by Tshekedi Khama) from upsetting his bid for incorporation. The spectre of a crisis over control of the Territories was employed once again by Smuts in 1946 when he learned that some members of the British cabinet might be unwilling to accept that consultation with South-West Africa's inhabitants had been conducted fairly. Smuts was happy to pose as a champion of the Commonwealth system, but in so doing he made his leadership of the

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- 338 -
Union contingent, to a certain extent, upon his capacity to command support from that association. In Whitehall, the dominions office warned that failure to support incorporation was 'likely to alienate not only the present Government but also the public opinion of the whole European population of the Union'. Under the dual threat of losing both its most powerful South African collaborator and the Union from the Commonwealth, the British government conceded that it had to support Smuts regardless of the domestic and international criticism which was bound to ensue.[5]

The advent of an Afrikaner nationalist government (which was more interested in demonstrating that South Africa could prosper without the British connection than in proving its value) produced a shift of emphasis in British policy. Despite a hardening of British attitudes against apartheid, holding the Commonwealth together remained a pre-eminent concern. Britain and South Africa continued to be drawn together at the United Nations by their mutual interest in resisting United Nations interference. Furthermore, some ministers in the Malan government proved willing to collaborate with Britain. There was, however, no longer the same need to bolster the position of an ideal prefabricated collaborator at the head of the Union government. Instead, there was a more general need for the British government to avoid actions which threatened to alienate white South

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5. DO 35/1214; DO 35/1933; DO 35/1934, DO 35/1935; DO 35/1936; CAB 129/9, CP(46)157, CP(46)158, and CP(46)371; CAB 128/5, CM37(46)3, CM45(46)8, CM52(46)4, CM58(46), and CM85(46)5; A 1/166, Smuts to Heaton Nicholls, 7 Oct. 1946.
Africans and precipitate a collapse of the Commonwealth connection.

That the British government might be unable to avoid such actions loomed as a real possibility not long after Malan's victory. The issue was the British government's attitude towards Seretse Khama. He had married a white woman and was accepted as chief by the Bangwato tribe of Bechuanaland in June 1949. As Bechuanaland was under British sovereignty, his accession was subject to British recognition. The Union government wasted little time in making known its opposition to recognition. Baring became convinced that recognition would lead to a head-on collision with the Union 'at the worst possible time and for the worst possible reason'. There would be demands for the transfer of the Territories. Worse still, it might be the occasion for extremists to fight the battle for a republic outside the Commonwealth. To preserve the Territories from the Union and to keep South Africa in the Commonwealth, the Labour government excluded Seretse from Bechuanaland. In so doing, it brought a storm of criticism upon itself.[6]

The necessity of avoiding a situation where white South Africans united against British actions in Africa was a key component of the policy, put forward by Gordon Walker in 1951, of containing South African expansion. Co-operation with the Union had to be maintained. Keeping Southern Rhodesia out of the Union was crucial,

as was retaining control of the High Commission Territories. The latter was possible only if white South African opinion remained divided. A chief source of division was the desire by 'a very large section' of the white South African population not to break with Britain. If anything happened which both 'united and inflamed' South African opinion, the British government would be 'helpless'. Britain had to be ready 'to develop those relations with the Union that bind her to us and make her unwilling to risk a break with us'.[7]

When the National Party came to power in 1948, the Commonwealth connection represented a major obstacle to the advancement of objectives which lay at the heart of Afrikaner nationalism. As Gordon Walker noted after his tour of southern Africa, that Party had many of the characteristics of 'a devoted movement of liberation'. Its fundamental aim was Afrikaner supremacy over both non-whites and English-speaking South Africans. Associated with this was the determination to remove the vestiges of British imperial authority. In this context, the establishment of a republic took on enormous significance as a symbol of Afrikaner ascendancy. As such, and in its capacity to unite English-speaking South Africans in opposition, the republican issue was politically explosive. Here, away from the issue of white supremacy, the National Party was perhaps at its most vulnerable.[8]

7. CAB 129/45, CP(51)109, 16 April 1951.
In 1948, the question of the republic was inseparable from that of the Union's membership of the Commonwealth. By 1949 this had changed. The British government's desire to keep India in the Commonwealth (an aim supported by Canada and accepted by Australia and New Zealand) led to a transformation in the structure of the Commonwealth. From the start, this transformation was recognised as being potentially damaging to South Africa's British connection.

Lord Listowel, the secretary of state for India had seen that

the problem of devising a form of association which is even looser than that at present binding the Dominions and which is not yet entirely meaningless or indeed, in the absence of a real measure of common purpose and interest, even dishonest, is no easy one. And the reactions of, and on, existing Dominions, and more particularly Dominions such as S. Africa or Canada, of any weakening of existing links are material factors.[9]

Elsewhere in Whitehall, this argument was countered with the suggestion that a looser form of association might have an opposite and beneficial effect. Norman Brook, the cabinet secretary, pointed out that the Union was 'chafing at Dominion status before the war and may do so again, particularly when she is no longer guided by Field Marshal Smuts.' Attlee himself believed that 'the phrase if not the content of "Dominion status" is not now attractive'. He felt that some formula should be found which would 'enable the greatest number of independent units to adhere to the Commonwealth without excessive uniformity in their internal constitutions or in their relationship

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to Great Britain, the Commonwealth and one another.'[10] It was nevertheless expected at this stage that some link with the Crown would be retained.[11]

By 1949, this expectation had been abandoned. The Indian government insisted on the complete elimination of the Crown from its constitution. Attlee asked his cabinet colleagues to endorse the view that

the political advantages of retaining India within the Commonwealth were so great that Commonwealth countries would, if it proved necessary for that purpose, be justified in making some concessions from their traditional point of view about the Commonwealth connection, and taking some risks, with a view to keeping India with them.[12]

One of the risks alluded to by Attlee was the possibility that the Malan government might wish to force its antagonist at the United Nations out of the Commonwealth. Sir Percival Liesching, who had travelled to the Union to prepare the ground for a discussion of Indian membership at a prime ministers' meeting, left feeling that South Africa was likely to welcome India's withdrawal as removing a


11. The minimum was thought to be recognition of the Crown with respect to external relations as in the case of Eire before 1949. RG 2, B 2, vol. 107, file U-10-11, 17 Aug. 1948.

12. CAB 128/15, CM.17(49)2, 3 March 1949.

- 343 -
source of embarrassment. [13]

Malan's statement to his fellow prime ministers (which made him appear as the strongest supporter of India's continued membership) therefore caused 'something of a sensation'. Closer inspection of Malan's statement revealed that he had not actually urged the continuance of India as a member. He had merely made a forcible statement of the case for membership by a republic. The effect, though, was the same. Part of the explanation was provided by Forsyth who, in conversation with the Canadian high commissioner 'said quite frankly that Dr. Malan's statement had been made for "tactical reasons". Furthermore, South Africa was 'reasonably content' with its relations with the Commonwealth and 'obviously in the present world crisis they had to associate themselves with Commonwealth countries and the United States.' [14]

The tactical achievement to which Forsyth had alluded was Malan's

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13. The Canadian government had similar expectations. Prior to his departure for the prime ministers' meeting, Lester Pearson (the secretary of state for external affairs) told his cabinet colleagues that it 'seemed probable that the most strenuous objection at the meeting to a basis allowing membership without a link with the Crown would come from South Africa.' From London, Pearson reported that Attlee was 'somewhat worried about the possible attitude of South Africa and New Zealand as well as the difficulty in preserving the present position constitutionally in Pakistan and Ceylon if India became a Republic'. R.J. Moore, Making the new Commonwealth (Oxford, 1987), 179-80; N. Mansergh, The Commonwealth experience, vol II, from British to multiracial Commonwealth (London, 1982), p. 156. RG 2, A 5a, vol. 16, 31 March 1949; RG 25, A 12, vol. 2118, file AR430/23, 21 April 1949.

success in undermining his political opposition by detaching the question of the external association with Britain from the issue of internal constitutional change. Prior to India's independence, Smuts had seen that constitutional developments there were 'pulling the Dominions into a position which may lead to a crisis for one or more of them.' The perception of the Commonwealth as being an extension of British imperial power meant that Smuts and even Malan saw the strategic value of Indian membership. For Smuts, Indian membership based on allegiance to the Crown was one thing, but an association with a republic was quite another. On the eve of the 1949 prime ministers' meeting, he restated his belief that there was 'no middle course between the Crown and the Republic, between in and out of the Commonwealth.' He had earlier made this view known to Liesching. It would be better, Smuts said, for Britain to secure its strategic requirements through treaties with the Asian members. Changing the basis of membership would precipitate a South African republic. English-speaking South Africans would feel let down and would be unable to offer effective resistance to Afrikaner isolationism. The implications of the meeting's outcome were clear enough to Smuts. He wrote to Churchill that 'since Malan's return the Nationalists are jubilant, and their next move may now well be a republic within the Commonwealth as a stepping stone to full secession in due course'. From that stage onward the National Party had 'a tarred road to the


- 345 -
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The Malan government had been able to cope with, and even turn to domestic political advantage, constitutional developments within an Asian member of the Commonwealth. It could see nothing other than impending disaster in the Gold Coast's apparently precipitous advance towards independence. For white South Africans this seemed to signal a British intention to abdicate its authority in Africa. This would call into question a fundamental rationale for remaining in the Commonwealth: the maintenance of a close association with British authority in Africa. Malan chose to make known, through the press, his views about the February 1951 'ultra-democratic election' in the Gold Coast. What was happening in West Africa meant nothing less than the 'expulsion of the white man from virtually everywhere between South Africa and the Sahara', the undermining of the foundations of the Commonwealth, and its gradual liquidation. Speaking privately to Baring, Malan said that 'acceptance by South Africa of a " negro state" as full member of the Commonwealth and reception by her of a High Commissioner from such a state is "unthinkable" either now or in the future.'

16. CO 537/7100, Baring to CRO, 24 Feb. 1951; FO 371/91169, Baring to CRO, 8 March 1951. The Canadian high commissioner to the Union suspected that events in the Gold Coast had called into question the Nationalists' attachment to the Commonwealth which was 'practical and utilitarian' rather than emotional. For them the Commonwealth meant British imperial authority in Africa. If Britain pulled out of Africa, the Commonwealth simply expired as far as South Africa was concerned. RG 25, acc. 84-85, 150, vol. 26, file 1038-40-pt 6, 8 March 1951.
At the end of 1951, Le Rougetel noted that in the minds of South Africans 'our colonial policy in Africa is the most important factor affecting their relations with us'. The events of recent years 'have created a doubt, and indeed more than a doubt, whether the United Kingdom is able or willing to devise a constructive policy for Africa, and these doubts are grist to the mill of extremists in the Union'. In particular, any disorders in the High Commission Territories might be exploited by the Union government to strengthen the case for immediate transfer. The high commissioner saw that the 'British connection may be linked with the United Nations and the black menace as joint bogeys' at the next Union general election. The Malan government recognised 'well enough the military and political value of that connection in the present stormy world' but if the election looked like being 'a close run thing', they might be ready to endanger these obvious advantages in their search for votes.[17]

Although it was the focus of attention, the Gold Coast was not the only place in Africa where constitutional developments could have provoked a clash with the Union over the admission of new members to the Commonwealth. Sudan was also moving towards independence. Within the colonial office, it was suggested that the foreign office had underrated both the strategic importance of the Sudan and the 'degree of psychological influence which membership of the Commonwealth can exercise on a country's behaviour: India may be difficult enough in


- 347 -
all conscience [i.e. by any reasonable standard]; but I feel sure she would be much more difficult outside the fold'. Furthermore, Sudan should not be left outside the Commonwealth simply to avoid offending the Union. The colonial office view was that the British government was 'already committed to the policy of a parti-coloured Commonwealth' and 'if we have to choose between going back on that policy or losing South Africa from the Commonwealth we must face the latter'.[18]

The South African government and public hoped, and to a certain extent believed, that the advent of the Churchill government marked the beginning of a reversal of the 'abdication spirit' of the Labour Party. The firm response to Mau-Mau in Kenya and the apparent absence of dramatic constitutional developments tended to reinforce this view. Moreover, collaborative links fostered by the personal contact that was afforded by Commonwealth gatherings seems to have made some South African ministers more sympathetic to the British connection. Malan himself thought that Churchill and Lord Swinton (the secretary of state for Commonwealth relations) 'were two men who possessed a real understanding of, and sympathy with, South Africa's difficulties.' 'It cannot be doubted', noted the acting British high commissioner at the start of 1954, that British colonial policy in Africa remained the 'most important factor, in the minds of South

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Africans, affecting their relations with us'. South Africans had 'a renewed and growing confidence in us and believe that we are not now afraid to govern'.[19]

By the end of 1954, Anglo-South African relations seemed to offer a less rosy prospect. The leadership of the National Party was seized by an ardent republican from the northern Transvaal. The 'lion of the north', J.G. Strijdom, became prime minister. The acceleration of constitutional development in the Gold Coast meant that it might apply for full Commonwealth membership in 1956. The British government would thus have to deal with a new and more extreme Union government on a question which was bound to arouse the emotions of white South Africans and which was of fundamental importance to the future of the Commonwealth.

In considering how the Commonwealth should cope with the admission of colonies which had attained full self-government, Whitehall was well aware that there might be trouble in store for the Commonwealth relationship with South Africa. The possibility of a two-tier Commonwealth had been investigated, as a means of avoiding any loosening of solidarity with the old dominions, but also because South Africa 'might withdraw rather than sit in with the Gold Coast on equal terms'. After it had been studied, the two-tier system was rejected. States were unlikely to accept a class of membership which would be regarded as inferior. They would choose instead to leave

19. DO 35/5199, Snelling to Crookshank, 6 Nov. 1953; DO 35/5337, Snelling to Swinton, 11 Jan. 1954.
the Commonwealth. The problem of South Africa therefore remained. Lord Swinton could offer no reliable forecast on that country's intentions. The extreme group led by Strijdom 'might be tempted to use the admission of the Gold Coast as a pretext for secession'.[20]

If Havenga had become prime minister, the British government expected that while the Union government might record dissent and make a protest, they would not leave the Commonwealth but accept the Gold Coast's admission as a fait accompli. The uncertainty surrounding the Strijdom government's intentions led the British government to delay in raising the issue for as long as possible. Time was needed both for Strijdom to reveal his own inclinations towards the Commonwealth and to allow him to see for himself the value of the Commonwealth connection. Within the CRO, it was felt that a 'very

20. CAB 134/786, CCM(54)7, memo. by Swinton, 16 June 1954. Some Conservative ministers had difficulty accepting the assumption (implicit in the line advocated by officials as well as by Swinton) that if a choice had to be made, the Gold Coast's membership of the Commonwealth was more important than South Africa's. In committee discussion, Lord Salisbury (who had a long experience of relations with the dominions) questioned this assumption. He pointed out that among the older members the resignation of South Africa would be the concern of all, but only Britain would be concerned if the Gold Coast were not admitted. Norman Brook's riposte was that India might threaten to leave if the Gold Coast were not admitted. Several other ministers 'greatly regretted' the course of Commonwealth development that was envisaged. There was a 'great danger' that the Commonwealth relationship would be further diluted. The memorandum to cabinet which emerged out of these ministerial and official committee deliberations argued that however 'uncomfortable' it might be to have some of the emergent territories as full Commonwealth partners, 'we are quite clear that the wiser course is to admit them to a status of nominal equality' and seek from the start to ensure that they 'will remain within our sphere of influence'. CAB 128/786, CMM(54)1, 5 July 1954; CAB 129/71, C(54)307, 11 Oct. 1954; CAB 128/27, CC83(54), 7 Dec. 1954.
important element' in the formation of the Union government's attitude was 'likely to be the view held personally by the new members of the Nationalist Cabinet on the practical usefulness to them in the international field of United Kingdom support and advice'. The British delegation to the United Nations was told that particular care was being taken 'not only to be as helpful as possible on United Nations matters but to appear to be'. 'Our aim is to make the South Africans realise that we are willing to take some risks in the interests of good Commonwealth relations'. One of the 'delusions' from which some Union ministers seemed to suffer was that the British government regarded South Africa as essentially 'expendable'. In reality, British ministers took 'precisely the contrary view'.[21]

Unfortunately for the British government, its ability to exert influence within the Union government had been shaken by the appointment of Louw as minister for external affairs. Le Rougsetel actually found Strijdom to be friendly and co-operative as Malan had been. The transfer of responsibility for external affairs from the prime minister meant, however, that Forsyth 'our best friend and only confidant on this subject has now no contact or influence' with the prime minister. Louw, 'temperamental, impetuous and fundamentally obsessed by anti-British bias', was not only 'grossly overburdened' with his two portfolios (finance as well as external affairs) but

was, 'more than any of his colleagues, excited and embittered by the attacks of the anti-colonialists upon South Africa.'[22]

By the autumn of 1955, the British government was encouraged by signs of a shift on the part of the Union government towards a policy of 'peaceful co-existence' with black African states. The impression given by some South African officials was that 'Bantustan' was 'just around the corner' and that the policy of "parallel development" (nee apartheid) could provide the basis for close relations with African states.[23] The atmosphere for an approach to South Africa was, Liesching reported, 'calm and favourable, and better than it was

[22] Forsyth had been trying to move Louw towards better policies in relation to the Union's African neighbours. As head of a powerful inter-departmental committee on African affairs, Forsyth had made some progress in this direction. This did not mean that he was optimistic about convincing Louw to swallow the 'membership pill'. Liesching, the new British high commissioner, advised that Forsyth should be given more time to modify his minister's attitude. PREM 11/1367, Liesching to Garner, 8 June 1955; DO 35/5058, Garner to Liesching, 24 May 1955.

[23] The Tomlinson commission, which examined the possibility of concentrating blacks in self-sustaining and ultimately self-governing territories, had finished its work at the end of 1954. South Africa, Summary of the report of the commission of inquiry into the socio-economic development of the Bantu areas within the Union of South Africa (Pretoria, 1956).
a few months ago.'[24]

The results of Liesching's approach were 'as good as, if not rather better than we could have hoped for.' He gained the impression that while Strijdom and Louw 'were facing a very unpalatable dish, they were ... of the mind that they would have to gulp it down.' Two arguments had been emphasised: the danger that a rejected Gold Coast would fall into the hands of the communists or the Bandung group, and the strategic importance of retaining the Gold Coast as an ally. The British high commissioner had thus attempted to draw upon the South African perception of the Commonwealth as an extension of British power. White South Africans may have found particular sources of British strength (such as the Commonwealth association with non-white nations) disagreeable, but the end of stopping communist expansion might justify the means.[25]

24. He recommended an approach to prepare Strijdom for discussions at the forthcoming prime ministers' meeting in June 1956. Eden (who had by then succeeded Churchill) said that it would be preferable if the question of Gold Coast membership did not have to be considered at this meeting. It would therefore be 'not altogether disadvantageous' if constitutional development in the Gold Coast could be slowed down. Liesching was, nevertheless, authorised to approach Strijdom in December 1955. In order to alter Eden's view, Lord Home (the secretary of state for Commonwealth relations) submitted a memorandum to the colonial policy committee. The central argument was that it had 'always been felt that weighty matters concerning membership of the Commonwealth should be discussed at Prime Ministers' Meetings' and not handled by correspondence. DO 35/5058, Fairfax to Butler, 11 Oct. 1955 and Snelling to Harrison, 22 Sept. 1955; PREM 11/1367, CP(55)182; CAB 128/29, CM44(55); PREM 8/1367, CA(56)10. For the significance of this committee see D.J. Morgan, The official history of colonial development, vol. V, Guidance towards self-government (London, 1980), pp. 59-60.

Events at the prime ministers' meeting unfolded far from smoothly. Strijdom preferred not to discuss the Gold Coast with leaders of non-white Commonwealth governments. Lord Home, anxious that a 'clear understanding' should be reached at the meeting, advised Eden to dispatch a letter asking each prime minister to record his 'agreement in principle to acceptance of an application for Commonwealth membership from the Gold Coast'. In his response, Strijdom complained that the proposed action was 'both premature and ill-advised'. Eden rejected the CRO's draft reply to Strijdom as 'not strong enough': 'Mr. Strijdom has sent me an offensive letter, even an insulting one. We require no lesson from him in how to treat black people. We must send a firmer reply. We shall not be respected by these bullies if we do not.' British representatives in the Union suggested that Strijdom and Louw, conscious that the acceptance of the Gold Coast as a member of the Commonwealth would cause them some difficulty with members of their own party, may have welcomed the chance to justify themselves by reference to an apparent commitment already entered into by the British government. The Union government had, in any case, agreed in principle that the Gold Coast should be admitted.[26]

The Gold Coast's advance towards full self-government (which had so nearly provoked a clash with South Africa over Commonwealth

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membership) was but the leading edge of a wave of decolonisation which was rapidly to alter the character of the Commonwealth. Whitehall was naturally anxious that the association should adapt itself effectively, and in mid-1956, officials attempted to forecast developments. Sir Thomas Lloyd, the permanent under-secretary at the colonial office, saw a risk of 'India's attempting to lead a group within the Commonwealth in which she would hope to include "new" members such as the Gold Coast, and at the head of the group to challenge the "old" members to declare themselves for or against the racial policy followed by the Union.'[27] There was, nevertheless, a general sense of optimism felt in Whitehall about the Commonwealth's prospects. This optimistic outlook was evident in June 1956 in the conclusion of a CRO 'crystal gazing' paper:

If we seize our chances boldly; if while doing so, we have in mind in framing policy its reactions on the Commonwealth, and the importance of holding the Commonwealth together, there seems every reason to hope that it will be possible to ... maintain the high principles which have historically governed our conduct in increasing areas of the world, and still to secure for the United Kingdom the advantages that flow from the existence of the Commonwealth and our leadership of it.[28]

27. Ian Watts, another colonial office official, agreed with Home's proposition that but for the existence of Britain 'the Commonwealth, as we know it, would disintegrate regionally'. Watts went on to note that the introduction of the Gold Coast into the Commonwealth might well coincide in time with an 'even more acute phase in the racial difficulties in South and Central Africa' and would put to the test the United Kingdom's political skill as the co-ordinating Member of the Commonwealth'. CO 1032/51, note by Lloyd, 21 June 1956, and note by Watts, 28 June 1956.

Before the year 1956 was out, however, Eden had flagrantly violated precisely those principles which the CRO had set out as being essential for the Commonwealth's future.

At the end of October 1956, without consulting any other member of the Commonwealth, the British government sent forces into action at Suez in circumstances which could not but arouse condemnation in new as well as old Commonwealth countries. In the case of South Africa (where amongst the leadership, republican and secessionist tendencies were never far below the surface), the government seems to have taken the Suez crisis as an opportunity to loosen, as far as was politically possible, the Commonwealth connection with Britain. That the Strijdom government would be unsupportive was evident from the start of the crisis. 'You will realise', wrote Liesching, 'from the attitude of detachment which the Union Government has consistently adopted over Suez' that getting Strijdom to promise to say anything in support of the British action 'was rather a hopeless endeavour'. When asked to say publicly that that he hoped that the Anglo-French action would succeed, Strijdom had 'put up both his hands and shook his head with a sad and wintry smile'.[29]

What became apparent less rapidly was that Louw would exploit the situation for what can be seen as secessionist ends. In a press interview, he stated that there had been a major change in British

policy regarding consultation with the dominions as demonstrated by
the failure to consult the Union on Suez. This change 'incidentally
relieves the Union Government of any responsibility for steps taken
or still to be taken' in Egypt.[30]

Whitehall was 'greatly disturbed' by Louw's public statements.
Liesching confronted Louw directly. 'It was', wrote the high
commissioner, 'a rare rough and tumble'. 'I had to deal with every
sort of attempt to confuse the issue and side track the argument. It
was Louw at his worst.' Louw was told that a correction was required
to his statement on Commonwealth consultation. If this were not
forthcoming, Liesching was authorised to give one himself. When the
high commissioner left, Louw was 'flushed and flustered but still
arguing obstinately to the doorstep'. Liesching felt no confidence
that Louw's 'egotism will allow him to make a satisfactory correction
or retraction'.[31]

Public attitudes towards the crisis were predictable enough in the
Union. In general, the press had split along language lines. The
exception had been Havenga's newspaper - Vaderland - which followed a
'realistic line' until the end of November 1956. It then radically

30. Louw was alluding to the commitment, first accepted by the Malan
government, to assist in the defence of the Middle East. It would
seem that after the Union government had secured an agreement for the
transfer of the Simonstown naval base (and as part of that agreement
a written British commitment to assist in the defence of the Union)
the Strijdom government wasted no time in seeking to escape from its
unwritten Middle East defence obligations. DO 35/6338, 3 Nov. 1946.

31. As it turned out, the British high commissioner had to speak to
the press himself. DO 35/6338, Liesching to CRO, 5 Nov. 1956.
revised its attitude suggesting that 'the British imperial structure' had received its 'most serious blow since England had to leave India'. That the newspaper of a leader who had shown himself to be a good friend of Britain should have concluded that nothing less than the whole structure of the empire-Commonwealth was reeling under the shock of Suez should perhaps have been a greater source of concern in Whitehall than the efforts of a dyed-in-the-wool Afrikaner Nationalist like Louw to cast aspersions on Britain's Commonwealth policy.[32]

Eden's actions at Suez had, in one fell swoop, wrecked a whole series of footings upon which the post-war Commonwealth had been constructed. The Attlee government had embarked on an effort to build a structure to resist the pressure of Russian and communist expansion, assist in Britain's economic recovery, and preserve British prestige. In this, the link with the Indian sub-continent was a key structural element. The Canadian government under the leadership of St Laurent and Pearson had joined with some enthusiasm in developing the Commonwealth as a bridge between East and West. For its part, the Indian government hoped to exert its own influence on the West. The British invasion of Egypt destroyed both Britain's moral authority in Asia and the belief that the Commonwealth could introduce a measure of harmony into the policies of the new and old members. Suez was, furthermore, a stark demonstration that Britain's military and financial power (which underlay the Commonwealth

32. DO 35/6338, Liesching to CRO, 29 Nov. 1956.
connection) was no longer up to scratch.

This demonstration of British weakness, in a place the British Chiefs of Staff had always insisted was the 'gateway to Africa', came at a time when South African confidence in Britain was declining as rapidly as decolonisation progressed. Suez was probably something of a turning point in the Union's underlying attachment to the Commonwealth. Certainly, after Suez the National Party government seems to have shown less reserve in disposing of the signs of Afrikanerdom's 'past degradations'. In 1957, a bill was passed which left the Union Jack with no official standing in the Union. Then, without troubling himself with legislation, Strijdom blandly announced that God Save the Queen would no longer be played at official occasions. Later on, steps were taken to introduce a new currency. By the time that a republic was declared, the South African pound (and with it Queen's image on coins and notes) had been replaced with a new system of legal tender, one bearing designs less offensive to Afrikaner Nationalist sensibilities. That these issues were settled without arousing fierce displays of emotion (such as were evident in 1927 and 1938) was a measure of how far South African attachment to, and confidence in, Britain had declined.[33]

That Strijdom did not press ahead more rapidly towards a republic may be partly explicable in terms of his desire not to remove all chance

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of securing the transfer of the High Commission Territories. More importantly, perhaps, it showed that the Nationalists were not certain of success in changing South Africa's constitutional relationship to the Crown. Proponents of the Commonwealth system could still, during most of the 1950s, point to the value of an association with a great (even if somewhat diminished) world and African power. There was, moreover, the contention that South Africa might lose its preferential treatment in the British market if it left the Commonwealth. Neither of these considerations had much force if the republic was to be inside the Commonwealth. Strijdom himself may have had only a tenuous attachment to the Commonwealth. (Diefenbaker returned from the 1957 prime ministers meeting suspecting that 'South Africa did not want to remain long in the Commonwealth'.) The subsequent prime minister of the Union seems to have been positively antithetical. On the day after Verwoerd became prime minister in 1958, he affirmed that his 'greatest endeavour' was the achievement of a republic 'free from any element of domination or allegiance'.

Within the space of a few months in 1960, political conditions in the Union had changed in a way which led the Strijdom government to believe that it could withstand being blamed for South Africa's exclusion from the Commonwealth. Such change was fostered most

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dramatically by Harold Macmillan's 'wind of change' speech to the South African parliament in February 1960. One of the messages delivered by the British prime minister was that Britain could not continue to give the 'full support and encouragement' which was due a fellow member of the Commonwealth without the British government being false to its 'own deep convictions about the political destinies of free men'. The effect of the speech on the perceptions of white South Africans was undoubtedly profound. In the wake of this speech came the Sharpeville massacre - something which Louw tried to attribute to the inflammatory influence of Macmillan's speech itself.[35]

By the summer of 1960, the Verwoerd government could not be deflected from its republican course even by the warning from Macmillan that this was likely to entail departure from the Commonwealth. Macmillan made clear to the Union prime minister that, in the atmosphere prevailing after Sharpeville, some other members of the Commonwealth would probably reject a South African application to retain membership as a republic.[36] The Verwoerd government probably recognised that for many South Africans the association with the


36. 'Taking a long-term view', asked Macmillan, 'would it not serve your interests better to postpone' the announcement of a referendum for a republic 'until times in Africa are calmer'? Macmillan, Pointing the way, p. 286.
Commonwealth had lost much of its meaning when Britain and South Africa were so clearly set on divergent courses in Africa. Furthermore, the economic justification for membership was lost after the British government gave an assurance that departure from the Commonwealth would not affect preferential tariffs. The referendum went ahead in October 1960. The establishment of a republic was approved by a small majority of the South African electorate. At the 1961 Commonwealth prime ministers' meeting, after the attempt to reach agreement on South African membership failed, Strijdom withdrew the application to remain. [37]

The failure of eleventh hour efforts by Macmillan and Menzies to avert, if only temporarily, South Africa's departure from the Commonwealth might, considering the underlying trends, have been inevitable. On the other hand, the fact that South Africa did not remain a member for at least a few more years could be attributed to the fact that, by 1960, Afrikaner Nationalists had contrived a situation where the British government had run out of collaborators within the Union government. The victory of the National Party in 1948 had removed Smuts, but some officials sympathetic to the Commonwealth connection remained. Moreover, Malan and Havenga were experienced enough to see the practical value of the British connection. The gradual replacement of officials appointed under Smuts with men more interested in promoting Afrikanerdom, in

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37. Geyser, Watershed for South Africa, pp. 77-8; Miller, Commonwealth survey, p. 158.
combination with the triumph of the extremists within the National Party, meant that by the time Verwoerd became prime minister, potential collaborators were few and far between. The implacable Louw was minister of external affairs from 1955 until after South Africa left the Commonwealth. The influence of Forsyth was lost after his replacement in 1956. The moderating effects of personal contact had little chance to operate with Verwoerd. His first meeting with a British prime minister was in 1960 when Macmillan visited the Union. An attempt on Verwoerd's life prevented him from attending the 1960 prime ministers' meeting. Other Commonwealth leaders were left trying to exert influence on Louw. In such circumstances, Macmillan's appeals against an immediate advance towards a republic begin to look like futile gestures.[38]

The existence of the Commonwealth connection with South Africa could be viewed as a sign that a belief in the value of links with British power held ascendancy over an inward-looking and exclusive nationalism. The willingness of successive Union governments to retain membership of an association which included countries sharply critical of South African racial policies rested, particularly after the fall of Smuts, on the perception that the Commonwealth was a source of economic and strategic security. The relative decline of British power served to diminish the material basis of the Commonwealth from without, at the same time that Afrikanerdom was eroding the connections from within. Above all, perhaps, it was the

loss of confidence in British policy in Africa, and the gradual realisation that British power would no longer be exerted in a way which would help to sustain white authority, that enabled Verwoerd to lead white South Africans calmly into the political laager where they remain today.
Conclusion
Within sixteen years of the Second World War's end, South Africa had left the Commonwealth. Some members of that association had been unwilling to accommodate a country whose government espoused a repugnant system of racial discrimination. It would, nevertheless, be misleading to see South Africa's departure as being the simple product of the accumulated pressures of a new post-war international morality. There were other forces at work. Not least of these was the advance of Afrikaner nationalism. By the late 1950s, successive National Party governments had, by fair means and foul, strengthened their electoral base (often at the expense of non-whites) to the point where Verwoerd could, with some confidence, make the final lunge to a republic in full knowledge that such an act entailed a high risk of exclusion from the Commonwealth. The preservation of the Commonwealth link with Britain had ceased to be, for perhaps the first time since the formation of the Union, an issue on which South African political parties could rise to, or fall from, power. This shift in the perceptions of the South African electorate did not take place in isolation from events outside the Union's borders. The strength of South Africa's attachment to the Commonwealth was directly related to white South Africa's perception of the value of Britain as a source of economic and strategic security.

That Britain's relative significance for South Africa would have declined to the extent it did by 1960 was by no means clear at the end of the Second World War, or even in the early to mid-1950s. In the first ten years after the war, South Africa had little real
alternative to remaining an integral part of the British economic world system. South African mineral exports could always have found markets. Agricultural exports were a different matter. For certain of these, there was no alternative to the British market. Similarly, supplies of consumer goods could have been found in north America, but South Africa's requirements of capital goods could not have been satisfied without preferential treatment from Britain. Most importantly, there was no alternative to Britain as a source of capital funds. Somewhat similar circumstances prevailed in the atomic field. There, in the mid-1950s, Britain seemed poised to become - through her technological capabilities and her potential significance as a market - an invaluable atomic partner. The sources of Britain's relative monopoly power in relation to South Africa seem, however, to have diminished surprisingly rapidly in the late 1950s. Britain flagged in the race to develop civil atomic power capabilities. Her industrial competitors in Europe and Japan revived. Substantial amounts of capital began to flow out of the United States. The sterling area became, with the introduction of convertibility and the removal of exchange and import controls, a more open system. Furthermore, the growth of the South African economy and the development of her government's ability to manage both the economy and a new decimalised currency known as the Rand must have increased South African economic self-confidence. In defence affairs, the Simonstown agreements probably seemed to give South Africa as much assurance that Britain would assist South Africa in the event of a crisis, as did the link with the Crown. Whatever
else they may have depended upon, neither economic, nor atomic, nor
defence collaboration between South Africa and Britain seemed, by the
end of the 1950s, to depend very much on South Africa's continued
membership of the Commonwealth. More important, perhaps, than any of
these developments was Britain's retreat from a direct imperial
presence in Africa. By the time of South Africa's departure from the
Commonwealth, Britain was ceasing to matter as an African power.

Britain's position in Africa had transformed rapidly in the late
1950s. Africa had held a prominent place in post-war British
thinking. The economic development of resources there was thought to
hold out tremendous possibilities. The British government expected,
in the 1940s and even the early 1950s, that its imperial position in
Africa could be sustained for decades rather than years. As long as
United Nations interference could be excluded, other powers were not
expected to be able to infringe Britain's relative dominance in
certain parts of that continent. There were, however, forces at work
which acted to undermine the imperial system in ways that were
difficult if not impossible to predict. Efforts to promote economic
development stimulated local nationalism. This, and the desire to
resist communism, forced the pace of political advancement.
Political developments in one colonial territory could not be
isolated from those in another. States newly emerged from colonial
rule increased the international pressure on the narrowing number of
colonial powers. In east Africa, fear that white settlers might fall
under South Africa's sway added to the pressure on Britain to retain
the initiative there. Once it had become apparent that Britain would
withdraw from a direct presence in Africa, Britain must have begun to appear, in South African eyes, to be more of a competitor in the game of exerting informal influence in Africa than an essential ally. Above all, Britain could no longer be depicted to the South African electorate as a guarantor of white authority in the continent.[1]

The desire to sustain the moral authority to govern dependent peoples had increased the British government's reluctance to give the appearance of condoning South African racial policies. Britain's colonial responsibilities seem, nevertheless, to have forced the British government to align itself more closely with the Union than would otherwise have been the case. As a colonial power, Britain was placed, whether her government liked it or not, in the same camp as South Africa. In the course of protecting its right to govern its colonial territories, Britain had little choice but to defend the rule of a white minority over a non-white majority. South Africa could not be abandoned at the United Nations without jeopardising Britain's own colonial interests. Britain was well on the way to pulling out of the business of direct colonial rule by the time that the Macmillan government conceded that the racial situation in the Union was a matter of legitimate concern for the United Nations. Once the British government had decided to give up its responsibilities for dependent peoples it had a greater, rather than lesser,

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inclination to align itself against South Africa.

The British determination both to foster close collaboration with the old dominions, and to use the Commonwealth as a means of preserving British influence in parts of the empire emerging from colonial rule, generated similar contradictions in connection with South Africa. Membership of a country whose government avowed a policy of white supremacy had to be reconciled in an association wedded to multi-racial ideals. The strategic and economic significance of South Africa, the desire to retain control of the High Commission Territories as part of the process of containing Afrikanerdom, and the importance of keeping South Africa within the Commonwealth, led post-war British governments to reconcile this contradiction as best they could. It was here that the British high commissioner to the Union retained what might be considered an extraordinary significance, since it was he who faced most directly this challenge of reconciliation. The high commissioner's judgement of South African intentions and his ability to advance British interests through face-to-face contact with a key collaborator were sometimes crucial in the formulation and execution of British policy. In the interests of preserving close relations with the Union and of protecting the Territories, Baring, Le Rougetel, Liesching (and their subordinates) seem, on certain occasions, to have been important, if not instrumental, in steering their government away from a line which threatened to have serious repercussions in the Union. Senior British representatives to the Union threw their weight behind the moves to convince ministers in London that Seretse Khama should not be
recognised; that the Union should not be held strictly to the terms of the Memorandum of Understanding; that less than an absolute guarantee on Simonstown's availability should be accepted; and that the British offer of atomic collaboration should not be tied to South Africa's abandonment of a premium on uranium destined for civil use. That control of the High Commission Territories did not emerge as a major, and open, source of contention between Britain and South Africa could be taken as a measure of the success of the British government and high commissioner in balancing the conflicting demands of co-operation and containment. The possibility that South Africa's racial policies might force other members to choose between retaining South Africa's membership and sustaining a multiracial Commonwealth had been considered early in the 1950s. It seems fairly clear that the British and Canadian governments were, from that time, prepared to contemplate South Africa's departure if such a choice became unavoidable. The implementation of apartheid, and the advance to full self-government of an increasing number of African and Asian states, multiplied the difficulties of keeping the Union in the Commonwealth. By 1961 the point had been reached where it had become impossible.[2]

Once the Statute of Westminster had conferred on the Union constitutional equality with Britain, South Africa's attachment to the Crown and to the Commonwealth was, in the final analysis, nothing

more than an expression of political will by the South African electorate. As with many political sentiments, it had a material dimension. At the end of the Second World War, many South Africans continued to believe that their economic and strategic security might be jeopardised unless close ties with Britain were preserved. South Africa might be unable to manage an independent currency; agricultural exports might lose their markets; the mines might not find sufficient capital funds or goods; municipalities might be unable to raise money for public works; and manufactured goods might be excluded from markets in Britain or in British territories in Africa. Strategically, South Africa's coasts might be left without naval defences, while on land she could be without allies. Furthermore, there had always been a belief, shared by whites in Africa, that British power would, in the final resort, be used to uphold white authority over blacks. [3] Suez must have shaken South African confidence in Britain's military capabilities. Her accelerated withdrawal from Africa must have shattered many illusions about how those capabilities might be used in relation to the defence of the interests of a white minority. By the end of the 1950s, the opponents of the Nationalists could not be rallied by calling for the defence of the British connection. The risks associated with alienating Britain no longer, for a bare majority of white South Africans at least, outweighed the attractions of a separatist republicanism. A story goes that when a Free State farmer, at a

meeting held in anticipation of the republican referendum, asked: 'Who will protect us if we no longer have the Queen?', a rotund boeretannie stood up to announce, 'I will'.[4] It would seem that by 1960, many white South Africans had come to believe that their security in the world depended on nothing but their own gritty determination.

South Africa's net contribution of hard currency to the sterling area's central reserves

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All figures in millions of United States dollars

* includes gold loan of $322m (£80m)

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