



UNITED NATIONS CENTRE AGAINST *APARTHEID*

NOTES AND DOCUMENTS*

11/84

August 1984

RELATIONS BETWEEN THE UNITED STATES
AND SOUTH AFRICA

by

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This paper was presented at the North American Regional Conference for Action against Apartheid, held at the United Nations Headquarters from 18 to 21 June 1984.

The views expressed in this paper are those of the author./

84-19358

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United Nations, New York 10017

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I. INTRODUCTION

Terms of Reference

The primary focus of this paper is present relations between the United States and South Africa. Major attention will be given to governmental actions and policies, economic links, and the actions of non-governmental organizations where they have relevance.

Historical overview

Before embarking on this major task, it may be helpful to put current policy in perspective. Actions today are an outgrowth of the past. Governmental policies have been responsive over the years to circumstances in the world and especially to developments in Africa. These circumstances have changed remarkably in 30 years - from the 1950s to the 1980s, from the Eisenhower to the Reagan Administrations, in all, seven presidencies. Yet there have been common characteristics descriptive of this policy throughout. Three major themes predominate: 1) southern Africa is viewed within the framework of East-West confrontation; 2) South Africa is seen as the dominant and friendly power in the entire southern Africa region; 3) economic considerations are central in determining United States policy.

It may be useful to recall and comment briefly on these three, and on some other common elements that reoccurred consistently despite changing administrations in Washington.

1. The competitive relationship between the United States and the Soviet Union has been the major factor in determining policy towards Africa. United States initiatives have frequently followed periods of crisis to counter or match Soviet actions. For example, scholarships for South African students to come to the United States increased sharply in the early 1960s under President Kennedy. This was because of the exodus of students from South Africa after Sharpeville, and the dramatic growth of a student programme in the Soviet Union. United States initiatives toward a Namibian settlement came largely in response to the MPLA victory in Angola, won with Soviet and Cuban support.

Particularly for Henry Kissinger, United States policy in Africa reflected a global strategy in which African realities were secondary to a perceived Soviet challenge. This policy was tempered during the early Carter years by the recognition that internal factors, such as colonial rule, poverty, and repression affected popular action. But even though Secretary of State Vance said, "The continued denial of racial justice in southern

Africa encourages the possibilities for outside intervention", 1/ the dominant theme of policy was that ending an unjust system was the key to forestalling racial war and reducing Soviet influence.

2. Policy toward Africa in general and South Africa in particular has on the whole had a low standing in the list of priorities of United States Administrations for reasons closely related to the general preoccupation with East-West relations. Most frequently, the policy has been a reactive one, rather than an initiating one. During much of the Eisenhower Administration (1952-1960) the focus was on Europe and there was virtually no policy toward Africa at all. The continent was almost wholly under colonial domination. It is an indication of how little the United States appreciated developments in Africa, that the United States abstained on the watershed United Nations resolution 1514 of 1960 on the Granting of Independence to Colonial Countries and Peoples. During the Eisenhower years, the United States never agreed to wording in the United Nations resolutions "condemning" apartheid. Before 1960, "regret and concern" was as far as the United States would go.

With the pressure of the Sharpeville massacre, stronger positions were taken. The United States statement in the General Assembly "abhorred" apartheid for the first time. Adlai Stevenson, Kennedy's Ambassador to the United Nations, proposed and voted for an arms embargo against South Africa. However, the United States also authorized the sale of helicopters and executive civilian-type aircraft to South Africa, which could be converted for the military use of the South African Air Commandos.

More initiating policies followed the coup in Portugal in 1974. The end of Portuguese colonialism was the spur. Dr. Kissinger inaugurated a shuttle diplomacy toward the end of the Nixon Administration and this continued during the Carter years. The United States took an active role in dealing with both the Rhodesian and Namibian issues. But on the whole, United States policy has been non-initiating and characterized by an attitude of reluctant concern.

3. The United States has adopted a non-confrontational policy toward colonial and apartheid régimes, despite its criticism of these States. The United States has always had closer ties with South Africa than with any other country in southern Africa, and has always seen it as the key power in the region, to be dealt with as an erring friend rather than more severely. The Nixon Administration enunciated this policy by using the terms "communication" and "dialogue". Its 1969-1970 Foreign Policy

Report says, "We do not believe that isolating them (South Africa) from the influence of the rest of the world is an effective way of encouraging them to follow a course of moderation and to accommodate change". 2/

In the United Nations, as African demands became more insistent, United States' negative votes were more pronounced. In the 1972 General Assembly, for instance, of eight resolutions on southern Africa and colonialism, the United States voted against seven and abstained on one. As a further indication of "communication" in response to Vorster's so-called enlightened "vergligte" policy, the United States encouraged prominent American sports figures and entertainers to visit South Africa.

During the early part of the Carter Administration, language was more confrontational. Vice President Mondale, meeting with Prime Minister Vorster in Vienna in 1977, said, "We think apartheid is discriminatory ... if South Africa persists in its ideology, our paths will diverge and our policies come in conflict". 3/ Yet, despite the harder language and moves to impose an arms embargo, the Carter Administration did not break with any of the traditional tenets of United States regional policy.

4. United States policy toward southern Africa has been shaped by economic concerns, including the preservation of access to strategic minerals and the protection of markets and investments. Most Administrations have argued for the importance of trade and investments as a means of encouraging change in apartheid.

The official policy enunciated by the Kennedy Administration was that the United States "neither encourages nor discourages" trade and investment with South Africa. Yet investment with high returns continued to grow. Some 15 years later, the Carter Administration saw investment as the key to change. The President said, "The use of economic leverage against what is, after all, a government system of repression within South Africa, seems to me the only way to achieve racial justice there". 4/ The United States has always opposed any sort of economic sanctions against South Africa.

5. Every United States Administration has claimed an anti-colonialist, anti-racist bias in its policy toward Africa, including southern and South Africa. This was more believable in the early 1950s, before the dynamics of the struggle for independence put the policy to the test. But the anti-colonial tradition found in the United States' own Declaration of Independence has been a frequent reference point. Further, the civil rights struggle, although an embarrassment, because of the flaws it revealed in United States society, was presented as both a sign of a severe problem in United States race relations, and as an indication of an honest intent to solve the problem.

6. The United States has consistently emphasized the necessity of peaceful change in South Africa. This was enunciated most clearly by the Nixon Administration in 1972, when guerilla warfare was in full swing in southern Africa. The Assistant Secretary of State David Newson said, "We do not believe (violence) is a feasible answer ... We do not believe it is a just answer, because violence hardly brings justice to all ... We cannot expect change to come quickly or easily, our hope is that it will come peacefully". 5/

Thus, the United States voted against a United Nations resolution which sanctioned the use of "all means available" in the struggle against apartheid, arguing that this put the stamp of approval on violence.

7. The United States has maintained, at best, a distant relationship with the liberation movements throughout southern Africa. This result flows inevitably from a policy that advocates greater investments in South Africa when the liberation movement champions sanctions, or which preaches non-confrontation and peaceful change during a period of growing violence. The United States opposed such a minor proposal, as admitting representatives of the liberation movements to be observers in relevant United Nations Committee discussions. During the Kissinger years under Nixon and Ford, the liberation movements were looked upon as almost irrelevant. The famous National Security Study Memorandum 39 put emphasis only on the minority white régimes as possible agents of change. During the Kennedy and Carter years, relations with the liberation movements were more relaxed than at other times, but even during the final stages of the coming to independence of Zimbabwe, the United States tended always to seek an escape from accepting the leadership of the liberation movement.

In summary then, the United States obsession with East-West relationships and the refusal to recognize "on the ground" reality have prevented policymakers from carving out a more creative policy. The United States seems unable to appreciate that the fundamental problem in South Africa is apartheid, because South Africa is perceived as a potential ally in a global competition with the Soviet Union. The United States has also given far too little attention to the liberation struggle. This is not surprising when its policy is based on non-confrontation with the white minority and the need to perpetuate a climate safe for United States investment. Under Reagan, these problems have simply become more stark.

II. RECENT UNITED STATES POLICIES - "CONSTRUCTIVE ENGAGEMENT"

Early in the life of the Reagan Administration, the policy of constructive engagement was enunciated. Observers foresaw no sharp breaks with past policy, although a pronounced "tilt" toward the white minority régime was immediately discernable. In his first major southern Africa policy speech delivered in August 1981, Assistant Secretary of State Crocker declared: "It is not our task to choose between black and white. We will not lend our voice to support those dedicated to seizing or holding power through violence". 6/

Within three weeks, there was a new emphasis on all those aspects of policy commonly characterized as the carrot approach, while the stick was laid to rest in a closet. Soon, Pik Botha was visiting the White House, the first Foreign Minister from Africa to be welcomed by President Reagan, while the Chief of Pretoria's Military Intelligence lunched secretly with the United States Ambassador to the United Nations. The United States vetoed a resolution in the United Nations Security Council to impose sanctions on South Africa because of its intransigence on Namibia, and cast the only vote against a Security Council condemnation of South Africa's invasion of Angola.

Administration spokesmen argued that such a policy was realistic and necessary, in order to re-establish Pretoria's trust in the United States, thus creating a climate in which South Africa would agree to a negotiated settlement for Namibian independence and begin the process of peaceful reform of apartheid.

In fact, far from resolving the crisis confronting southern Africa, this policy served only to exacerbate it.

In decrying what it termed as intensifying "cycle of violence" in the region, the United States refused to hold the guilty party, the South African State, responsible for the wholesale regional destruction of peace and stability. Thus encouraged, Pretoria set out to consolidate its power by intensifying violently repressive modes at home, while continuing the illegal occupation of Namibia and launching an aggressive campaign of military, political and economic destabilization against newly-independent neighbouring States.

South Africa's purpose in launching these attacks seemed twofold. On the one hand, it intended to re-establish the cordon sanitaire which had long protected its borders and was lost by the popular defeats of Portuguese colonialism and Rhodesian settler State rule. The liberation movement in Namibia and South Africa was to be choked or starved to death, cut off from rear bases and active supply lines.

But beyond this, South Africa was seeking to establish its absolute dominance as the regional power. It seemed determined to crush all attempts being made by countries such as Mozambique and Zimbabwe to throw off their colonially-created economic dependency on South Africa. Even small assertions of independence provoked angry retaliation. The attempt by Front-line States to set up a regional planning authority, the Southern Africa Development Co-ordination Conference, was seen as a threat, to be actively countered in the interests of a proposed South Africa-centered "Constellation of States".

It is in this context that a significant shift can be discerned in United States policy. Moving well past any "tilt", however precipitous, in South Africa's direction, the Reagan Administration appears to have assigned the white majority régime the role of active agent implementing Washington's own regional strategies.

There seems considerable evidence that this Administration has proceeded further than any other in identifying its own interests with those of the South African State. As part of this process, it has sought then to increase the sway of South Africa over all States in the region, and has openly sought to change the direction of States it regards as inimical to United States interests, such as Angola and Mozambique. As can be demonstrated in the case of Angola, it has proceeded both directly, by refusing to grant recognition to this State, while continuing to deal with "contras" such as Jonas Savimbi and UNITA, and less directly by its condonation of, if not involvement in, South Africa's military aggression.

A regional strategy

This shaping and reshaping of the societies of southern Africa in the United States interest, is perhaps the most important, but least publicized aim of the policy of constructive engagement.

Foreshadowing its increasingly interventionist actions, in 1981, Chester Crocker laid out United States aims in southern Africa as follows: "We seek to expand (author's emphasis) and to assist that group of nations whose development policies produce economic progress and which have working democratic institutions". 1/

The second half of this strategy was even more boldly laid out in a secret briefing memorandum prepared for Secretary of State Raig by Chester Crocker in May 1981. According to this memorandum, "...If the South Africans co-operate: to achieve an internationally acceptable settlement (for Namibia), this will greatly facilitate efforts to deal effectively with the Soviet threat...A relationship initiated on a co-operative basis could move forward toward a future in which South Africa returns to a place within the regional framework of Western security interests... We can, however, work to end South Africa's polecat status in the world ..." 8/

Thus, current United States policy seems to be based on a desire for regional peace and stability and the creation of an environment in which United States trade, investment and strategic interests can flourish. But as that peace appears to be predicated on the existence of a powerful apartheid-dominated South African State, it cannot flourish. South Africa's black majority has been many years on the march already, seeking freedom. It is unlikely to abandon its struggle in the interests of regional détente. True regional peace can only follow the ending of apartheid rule.

This section has sought merely to sketch the main thrust of United States policy in the last few years. A more detailed examination of some of the key areas of United States-South Africa interaction follows. It will serve to indicate both the extent of support being supplied to apartheid from the United States, and also the growing opposition to that support now being expressed across the country, from Georgia to Oregon, Illinois, Nebraska and Arizona.

III. THE ARMS EMBARGO

A. United States enforcement of the arms embargo

United States enforcement of the arms embargo has not been carried out by special legislative measures, but handled within the legislative and regulatory framework controlling all military and commercial exports.

Commercial exports of United States armaments and military equipment of all types are regulated by the State Department's Office of Munitions Control in consultation with the Defense Department, using a jointly agreed-on Munitions List. Although the Munitions List should offer a clear reference for enforcing the arms embargo, the record shows that it has been carried out on an ad hoc basis, and at various times this enforcement system has failed. Currently, as is noted below, the Reagan Administration has in fact been licensing the sale of items on the Munitions List for sale to South Africa.

Export of non-military goods, including "dual-use" items (products which, while not specifically of military origin, could be put to military use), is controlled by the Commerce Department, although the Defense Department is currently seeking a role in controlling such exports. There have been continuing controversies over the policies of various Administrations concerning the licensing of dual-use items for sale to South Africa.

Exports regulations relaxed

In 1978, the Carter Administration introduced regulations barring the export of all United States commodities or technology to the South African military and police forces. As part of the Reagan Administration's policy of "constructive engagement", it has moved to loosen these restrictions in a series of three revisions in the export regulations (in March and September 1982 and January 1983). 2/ As of the latest revision (see Appendix I for the full text of the current Commerce Department export controls), a number of United States goods are allowed to be supplied to the South African military and police if it is determined that they would not "contribute significantly to military or police functions". Among these are: trucks, cars, tires, and personal computers. Also authorized are medical equipment and supplies, including air ambulances, foreign-made goods with less than 20 per cent United States-origin components, and airport anti-hijacking equipment. Aircraft and helicopters may be approved for sale to South African customers on condition that they are not put to military, para-military or police use.

Poor embargo enforcement

Laws and regulations can only be effective if they are rigorously enforced. A number of cases have generated continuing concern about the effectiveness of the United States enforcement of the embargo. Perhaps the most significant violation of the arms embargo involving the United States was carried out by the Space Research Corporation (SRC) in 1976 through 1978. In this period, the SRC provided South Africa with some 60,000 155mm extended range artillery shells, at least four 155mm guns, and a radar tracking and firing range instrumentation system. The two chief executives of the company were fired and given short prison terms, a light penalty, considering the magnitude of the violation. A study of the case by the staff of the House Subcommittee on Africa, released in 1982, concluded that there is a "non-system" of enforcing the arms embargo to South Africa. Since 1963, "the relevant United States government agencies have thus far failed to adopt procedures to effectively implement the embargo". 10/

Unnamed federal officials were quoted in a 1982 article on the general problem of illegal arms exports as saying, "The system frequently breaks down...There's little one can do if a buyer misrepresents a shipment's final destination or simply labels arms as something else". 11/

In hearings before the House Subcommittee on Africa in December 1982, a State Department representative cited examples of recent efforts to improve enforcement procedures, thus implicitly accepting criticism of inadequate enforcement. He also cited ten seizures of illegal shipments to South Africa by the United States Customs Service as a part of Operation Exodus, to control exports of United States arms and technology. But these interceptions must be compared to several thousand stopped shipments that were destined to Eastern Europe. "South Africa is not on the priority list", said one Customs official. And the public affairs staff at the Customs agency are not allowed to discuss illicit exports to South Africa. 12/

A significant example of the low priority given to enforcement of the arms embargo was the seizure in Sweden in November 1983 of an advanced United States computer, about to be shipped to the Soviet Union. The Digital Equipment VAX 11/782 is capable of a variety of military uses, including missile guidance and nuclear research. It was called "super hot stuff" by a Customs official, and Secretary of Defense Weinberger said it was "identical to a number of highly classified American systems" that could be used to make "faster, more accurate, and more destructive weapons". 13/ Yet, this advanced computer had first been exported from the United States to South Africa with no apparent difficulty before it was re-routed to Sweden. It is therefore hard to believe that export controls on South Africa are being rigorously enforced.

A detailed study of the South African military and the arms embargo was made by Chester Crocker, Assistant Secretary of State for African Affairs in the Reagan Administration, shortly before taking office. He indicated knowledge of embargo loopholes and violations involving "European, East Asian, and Israeli firms and Governments". 14/ Yet, since he has been in office, there has been no public campaign to close such loopholes or stop violations. And United States enforcement has been loosened.

United States exports of arms and military equipment to South Africa

In January 1984, a report on United States military exports to South Africa by NARMIC (National Action/Research on the Military Industrial Complex, a programme of the American Friends Service Committee) revealed that during fiscal years 1981-1983, the State Department's Office of Munitions Control had authorized 29 separate exports to South Africa of commodities on the Munitions List, worth more than \$28.3 million. 15/ The exports included data encryption equipment, navigation gear, image intensifiers and technical knowhow, according to the office. Seven more applications for military exports were pending as of November 1983. The head of the office claimed that the exports were approved because the equipment had civilian uses, and that most were devices for commercial systems. Nevertheless, the commodities were under explicitly military headings on the Munitions List, including fire control, guidance and auxiliary military equipment, and "Military and Space Electronics".

The State Department identified two recipients of the exports as the National Physical Research Laboratory and the National Institute for Aeronautics and Systems Technology, both of which do classified military research. The other recipients were said to be private firms.

The significance of these exports can be gauged by comparison with earlier figures: for the entire 1950-1980 period, the value of such commercial military exports to South Africa was \$18.6 million. Following the 1977 embargo, their value was \$4.6 million in 1978, \$25,000 in 1979, and no such exports were licensed in 1980. 16/ Thus, the \$28.3 million allowed by the Reagan Administration is a dramatic increase in military exports to South Africa.

Holes in embargo-some cases

Since its 1981-1982 edition, the Military Balance has listed Side winder air-to-air missiles, which are of United States origin, in the South African arms inventory.

In July 1981, the Washington Post reported that South Africa was developing a new air-to-air missile similar to the United States Sidewinder that was guided by a United States-made computer. A letter from the American Committee on Africa to then Secretary of State Haig asking about the report received a reply from the State Department indicating only that "Few details were provided in the story, which makes an investigation of the case quite difficult". 17/ The missile, the V3B, is now in service in South Africa and it is offered for export. It has been reported by Jane's Weapons System 1983-1984 that this missile conforms to Sidewinder's mechanical and electrical interfaces. Moreover, Military Balance 1984-1984 refers to it as being a "Sidewinder type" missile.

South Africa's missile patrol boats, the first group assembled in Israel, the rest assembled in South Africa, use a number of key components from foreign sources. One report states that the ships use chaff launchers (a radar decoy device) made by Hycor of Woburn, Massachusetts. The company has denied selling the devices to South Africa; if true, they could have been acquired via a third country. 18/

In 1982, the Commerce Department authorized the sale of 2,500 electric shock batons, used for crowd control, to private buyers in South Africa. The United States has had a policy of barring the sale of such police equipment to South Africa. In this case, the State Department claimed "an honest mistake" had been made. 19/

Aircraft

The Carter Administration informed the United Nations Security Council in 1979 that it had stopped the supply of spare parts for the South African Air Force's C-130 Hercules military transport planes, but indicated that South Africa continued to get the parts "from somewhere". 20/ These parts are in fact under United States export controls.

Since its 1981-1982 edition, the Military Balance has included the United States-made Lockheed L-100 aircraft (the civilian version of the C-130), operated by the South African Government's commercial transport airline, Safari, in its listing of the South African Air Force Reserves.

As part of its relaxation of arms embargo enforcement, in 1982, the Reagan Administration licensed the export of six Beechcraft Super King 200C planes for use as air ambulances by the South African Air Force. The United States also permitted the sale of anti-hijacking metal detectors for use in airports by the South African police.

In addition, South African Airways operates more than 40 Boeing aircraft of different models, including five 747s. These planes can be a valuable military asset for transport of troops, weapons and equipment. 21/ In 1983, it was reported that the Pentagon had raised objections to the export of a Boeing 707 airliner to Iran because it could be used for military transport. No such objections have been raised in relation to aircraft exported to South Africa.

United States exports of commercial or civilian aircraft and related equipment of all types to South Africa in the period 1980-1982 alone totalled more than \$706 million. 22/ Given the record of South African conduct, the possibility that some of this material may be put to military use must be viewed as strong. For example, Goodyear is among several United States companies selling aircraft parts in South Africa; a local trade directory notes that it offers "products serving commercial, military and private aviation" in South Africa. 23/

United States corporations shipped more than half a million dollars worth of "non-military arms and ammunition" to South Africa during 1981-1982 (no such exports were recorded in 1980). United States Colt and Browning weapons have been reported in use at a commercial "anti-terrorist" training center in South Africa, and United States advertisements in South Africa security journals indicate that United States police gear, including electronic sensors, infrared detectors and tracking equipment are available on the open market. 24/

Computers

The Reagan Administration approved the export of two powerful computers (a Control Data Cyber 170/750 and an Amdahl 470/V7) to the South African Council for Scientific and Industrial Research (CSIR), a government-run body which sponsors research in a variety of strategic fields, including work for the military. There was said to have been concern at the Pentagon about authorizing sale of the Control Data Computer (the first approved) because it is powerful enough to be used for breaking United States secret codes, and for nuclear research. Although the United States required assurances that the computers would not be used for military or nuclear applications, verification is difficult. The new computers are to replace two IBM machines that were being used by the CSIR.

In 1982, it was revealed that the Commerce Department had approved the sale of two Sperry computers (one during the Carter Administration and the other under Reagan) to the Atlas Aircraft Corporation, a subsidiary of Armscor producing military aircraft. After Congressional protests, the Reagan Administration included Armscor's subsidiaries within its definition of South African military entities.

The bantustans

There have been several recent reports that the Defense Forces of Bophuthatswana and Ciskei, both of which are instruments of the South African Defense Force, have received light aircraft of United States origin or with United States components. 25/ The Ciskei Defense Force

was reported to have obtained United States-made Mooney light planes via Israel, and to have obtained two Skyvan light planes, made by a British-owned company and powered by a Garret-Ai research engine made in the United States, from a civilian source in South Africa.

In 1982, the Bophuthatswana air wing received two Helio Courier planes made by General Aircraft Company of New Bedford, Massachusetts, from a civilian source in South Africa. This place is in use by the United States Air Force, in some cases for counter-insurgency purposes. In the same year, the Force obtained a police surveillance plane of Italian/West German origin powered by an Avco-Lycoming engine, which should be subject to United States export controls.

B. Nuclear collaboration between the United States and South Africa

The sighting of a twin flash characteristic of a nuclear explosion on 22 September 1979, off the coast of South Africa by a United States Vela satellite offered strong evidence that South Africa has exploded a nuclear device. Even without final verification of the Vela incident, it is widely agreed that South Africa has gained the capability of producing nuclear weapons in a limited number. 26/

Recently, the United States State Department desk officer stated that South Africa's "nuclear capability is a fact today and cannot be denied", and claimed that the best way to prevent nuclear proliferation is therefore to solve South Africa's security fears. 27/

History

The development of South Africa's nuclear capability, which threatens southern Africa and the fabric of world peace, has been assisted in significant ways by the United States and other countries. 28/ United States nuclear co-operation with South Africa began in the 1940s, in the field of uranium production. In 1957, the two countries signed an agreement under the Atoms for Peace programme; it was later renewed to extend until the year 2007. In 1958, a joint United States-South African team observed a secret United States nuclear weapons test off the South African coast. Allis-Chalmers of the United States designed and built the Safari I research reactor for South Africa that came into service in 1965. In the following decade, the United States supplied 231 pounds of highly-enriched (weapons grade) uranium for the reactor. More than 155 United States scientists assisted South Africa's nuclear programmes and 90 South African nuclear scientists had completed assignments in the United States by mid-1977. The United States also

provided equipment and technology, including powerful computers, for South Africa's Valindaba uranium enrichment plant and for the Koeberg nuclear power reactors. Finally, the 155mm SRC howitzer obtained by South Africa from the United States is capable of firing a nuclear shell.

Uranium enrichment-A lever

In 1975, the United States stopped shipments of enriched uranium for Safari I and in 1978, with the passage of the Nuclear Non-Proliferation Act, indicated that it would not enrich uranium provided by South Africa for Koeberg since the Act bars exports of nuclear materials to countries which have not signed the Nuclear Non-Proliferation Treaty (NPT). South Africa has been obligated to deliver the uranium to the United States for enrichment under a 1974 agreement.

Nuclear issues have been a key aspect in United States-South African relations during the Reagan Administration. This was reflected in a South African position paper on nuclear relations which was among several secret State Department documents prepared for a meeting in May 1981 in Washington between South African Foreign Minister Botha and Secretary of State Haig, which were leaked. 29/ The paper indicated that South Africa sought from the United States to either fulfill the 1974 Koeberg fuel agreement, or allow an arrangement to be made through France, and that the agreement with the United States be cancelled or postponed. It also said that South Africa would not sign the NPT and "set the minds of would-be attackers at rest", which shows how the Nationalist Government is using the nuclear weapons capability as an ultimate threat against the Front-line States.

The Carter Administration had attempted to use the leverage of the 1974 agreement to have South Africa sign the NPT. The Reagan Administration, while not allowing South African uranium enriched in the United States to be supplied directly to Koeberg, did facilitate South African circumvention of the NPT by allowing two United States companies to serve as brokers for enriched uranium for Koeberg obtained from a Swiss utility via a French enrichment plant. 30/

The South African uranium held in the United States was arranged to be sold off--95 per cent to United States utilities and the rest to a Japanese utility. South Africa remains obligated to deliver uranium to the United States for Koeberg annually until 1991, but the sell-off permitted by the Administration eased the pressure the NPT act had put on the Nationalist Government.

Personnel exchanges

Growing out of United States-South African nuclear talks, there have been visits exchanged by scientific and technical personnel reportedly related to nuclear safeguards. Two South African scientists visited a United States facility in 1981, followed by a visit of four Americans to the Valindaba uranium enrichment plant. And at least four South Africans have apparently received United States training on protection of nuclear facilities since 1978. 31/

South African scientists involved in nuclear research continue to visit the United States regularly, participating in conferences and visiting and working in United States laboratories.

Most recently, the Programme of the 10th International Conference on Cyclotrons and their Applications, held from 30 April to 3 May 1984 at the Kellogg Center, Michigan State University, listed 10 talks to be given by South African scientists from the South African National Accelerator Centre in Pretoria.

Nuclear equipment and technology

The Reagan Administration also eased United States export restrictions on nuclear equipment and technology to South Africa. A study by the General Accounting Office commissioned by Representative Howard Wolpe, Chairman of the House Subcommittee on Africa, revealed that South Africa was the third largest recipient of such exports in the year ending June 1982. The seven export licenses approved in the period included computers, ultrasonic tracking equipment, radio navigation equipment and calibrated testing equipment, for a total value of more than \$2.29 million. 32/

The Commerce Department also approved licenses for the export of a hot isostatic press, which may be used in making nuclear weapons components and 95 grams of helium-3, which can be converted into a component in thermonuclear weapons. But both exports were stopped after Congressional and public protests which were promoted by the Campaign to End US-South African Nuclear Collaboration, co-ordinated by the Washington Office on Africa. 33/

Legislation to tighten export controls over "dual use" exports of nuclear technology and equipment passed the House in 1983 and it is under consideration by a joint House-Senate Committee. Other proposed bills would cut all nuclear ties with South Africa and close general loopholes in the non-proliferation law. In addition, Democratic party presidential candidates and former candidates, including Walter Mondale, Gary Hart, Jesse Jackson, John Glenn, and Allan Cranston, have expressed support for a cut-off of all nuclear assistance to South Africa.

South African uranium

South Africa has gained a growing role in the nuclear field in the United States as a source of imports of uranium oxide for United States nuclear power reactors. The relatively low cost of South African uranium is related to the poor pay and working conditions of black South African miners under apartheid. These imports have drawn growing protests by the Campaign to End US-South African Nuclear Collaboration. In 1982, the United States imported some 800 tons of South African uranium worth \$139.5 million. 34/

Maintaining South African reactors

In December 1983, maintenance contracts for Koeberg worth some \$6 million annually were awarded to Framatome of France and to the South African subsidiary of the Fluor Corporation of the United States. 35/ In March 1984, the first Koeberg power reactor was put into service. South Africa has claimed that it would abide by Non-Proliferation Principles and has also agreed to modify the Safari I reactor to operate on lower grade uranium. But it has continued to refuse to sign the NPT, which would mandate inspection of its pilot enrichment plant. Thus, the eased restrictions offered by the Reagan Administration have aided South Africa's nuclear capability, while gaining only the most minor concessions in return.

C. Summary of United States-South African police and military contacts

Summer 1983	South African vice and drug officer trained under a United States Enforcement Administration programme in Georgia.
1981-1983	Three South African naval officers trained in the United States by the Coast Guard.
October 1983	Two South African representatives participated in the annual gathering of the International Association of Chiefs of Police in Detroit.
1983	Member of Detroit Police Force visited South African police installations.
March 1983	Lt. General Johann Coetzee (Chief of Security Police) visited State Department.
1982	South African police representative participated in police-media relations training programme in Chicago.

- November 1982 Major General Lothar Neethling (Chief of Police Forensics) and Major General H.V. Verster (Head of Counter-Terrorism Unit) participated in the annual gathering of the International Associate of Chiefs of Police in Atlanta.
- September 1982 CIA Director William Casey visited South Africa for meetings with government and military officials.
- August 1982 State Department officials met with General P.W. van der Westhuizen, Major General Charles Lloyd (Commander of South African forces in Namibia) and Lt. General Jamie Geldenhuys (Chief of the Army) in Washington for talks on Namibia.
- March 1981 United States Ambassador to the United Nations Jeane Kirkpatrick met secretly with General P.W. van der Westhuizen (Chief of Military Intelligence).

(From NARMIC, "Military Exports to South Africa", p. 13. Sources include information supplied by the Drug Enforcement Administration, the United States Coast Guard, the Washington Office on Africa, the Department of States and various issues of Servamus)

D. Co-operation in the intelligence sphere

There have been a number of reports in recent years indicating co-operation between the United States and South Africa in the intelligence field. John Stockwell, the former head of the CIA's Angola Task Force during the 1975- 1976 South African invasion of Angola, undertaken in collaboration with the CIA, resigned in protest against the agency's policies. He has written that "the CIA has traditionally sympathized with South Africa and enjoyed its close liaison with BOSS" (the Bureau of State Security, now the department of National Security or DONS). 36/ He noted that while links were not formalized during the invasion, in practice, "co-ordination was effected at all CIA levels". 37/

South African journalists have alleged that during the Nixon and Ford Administrations General Hendrik van den Berghe, then head of BOSS, visited Washington frequently and "enjoyed close ties" with the then CIA director George Bush, now United States Vice-President. 38/ It was also noted that BOSS agents were stationed at South African diplomatic missions in the United States.

A 1982 report by the staff of the House Subcommittee on Africa on the violation of the arms embargo by the Space Research Corporation (SRC), through which South Africa obtained the company's advanced 155mm howitzer system, cited the role of CIA operative in recommending to Armscor officials that they could obtain artillery from SRC. The report noted that at the least this suggested "serious negligence on the part of the Agency. At most, there is a possibility that elements of the CIA purposefully evaded United States policy". 39/ It recommended an investigation by the House and Senate Intelligence committees into the CIA role in the case.

An article in the London Observer has stated that the CIA was prepared to pass on information to BOSS about anti-apartheid activists in the United States in exchange for facilities in South Africa for United States spying elsewhere in Africa. It said that United States planes based in South Africa took photos over other African countries that were passed on to South Africa. The agreement was said to have been violated when the United States tried to spy on South Africa's nuclear facilities with a secret camera in the ambassador's light plane. South Africa expelled three United States military attachés in 1980, reportedly because of this, and the United States in turn expelled two South African military attachés from Washington. 40/

The New York Times has reported that there has "never been any suggestion that the Carter Administration halted intelligence sharing with South Africa", although an American official said it developed an "adversary aspect" reflected in the expulsion of the attachés cited above. 41/ Newsweek magazine reported during this period that although South African relations with NATO countries were strained, South Africa reported unofficially to the West on Soviet ship movements. And it claimed that South Africa and the United States had exchanged information about Soviet warships near the Cape, as an example of continuing co-operation. 42/

This relates to another area of reportedly long-standing co-operation between South Africa and the United States and other countries in intelligence: Project Advocat. This is a sophisticated military surveillance center built underground at Silvermine, near Cape Town, which was opened in 1973. Radar, communications, and computer equipment were reportedly supplied by the United States and other Western countries for the project, along with the NATO codification system for the equipment. Silvermine is said to be able to monitor ship and air traffic over wide areas of the South Atlantic and Indian Oceans, and to be linked to the United States Navy, the British Navy and several other countries. 43/

In March 1984, South Africa's air attaché in Washington announced that with the retirement of South Africa's Shackleton reconnaissance aircraft at the end of the year, Pretoria would stop providing Western intelligence services with information on ship movements around the Cape. The announcement was seen as a bid to prompt the Reagan Administration to break the arms embargo by allowing South Africa to acquire up-to-date replacements. 44/

The case of South African Navy Commodore Dieter Gerhardt, recently convicted in South Africa of spying for the USSR, indicates another example of United States co-operation with South Africa in intelligence. He was reportedly seized in the United States and held by the CIA for interrogation for eleven days before being returned to South Africa. The case also reflects the continuing close military co-operation between South Africa and Western countries: United States intelligence officials reportedly indicated that he had access to a wide range of strategic military and technical information, particularly from the Royal Navy. 45/

The Botha Government is widely viewed as having given Military Intelligence the preeminent position in the intelligence field. In March 1981, less than five weeks after the Reagan Administration took office, five high-ranking military officials made a semi-secret visit to the United States. Among them were Lieutenant General P.W. van der Westhuizen, the chief of Military Intelligence; Rear Admiral Willem N. du Plessis, assigned to the National Intelligence Service, the organizational arm of DONS; and Brigadier Nils van Tonder. These three were believed to be the top officials in Military Intelligence. 46/ Their visit included meetings with an official at the Defense Intelligence Agency, a staff officer of the National Security Council, Congressional members and staff, and Jeane Kirkpatrick, Ambassador to the United Nations. When news of the visit leaked out of the State Department (which has had a public policy of not permitting visits by South African military officials), the State Department claimed the men had been granted visas through an "oversight".

The Financial Mail concluded the visit was to "discuss matters of common interests" with officials in the new Administration. The New York Times noted that several months after the visit, South African Defence Minister Malan cited it as an example of improved relations with the United States. 47/ Thus, the Reagan policies of "constructive engagement" evidently include closer intelligence co-operation with South Africa.

In 1981, a coup attempt against the Government of the Seychelles by a group from South Africa, which included foreign mercenaries and South African military and intelligence men, was repulsed. After international pressure, many of the attackers were put on trial in South Africa for hijacking an airplane in order to escape. At the trial, the group's leader, the mercenary Colonel Mike Hoare, claimed that the attack had been approved by the South African Cabinet and supervised first by the National Intelligence Service and then by Military Intelligence. He testified that he informed a representative of the CIA in Pretoria about the plan and that he told his men the CIA had approved the plan. 48/

There has been evidence of a relationship between the policies of the Reagan Administration and of South Africa on support for UNITA in Angola. South Africa has long been identified as the main source of support for UNITA. In 1981, the Reagan Administration attempted to repeal the Clark amendment, which since 1976 has barred covert United States aid to forces in Angola. The repeal effort was defeated in the Senate. However, UNITA leader Jonas Savimbi was invited to Washington and met with Secretary of State Haig and other high officials. Despite the Congressional prohibition, Savimbi has claimed that he is getting support from the United States. 49/ This assertion was reinforced by a January 1984 report in the London Observer, based on a confidential memo, which alleged that secret meetings had been held between the United States and South Africa to discuss arms supplies to UNITA. The United States embassy in London called the memo a forgery. 50/

In October 1983, Newsweek magazine reported that the CIA was supplying "training, arms, and financial assistance" to UNITA despite the 1976 law. 51/ Another report cited South African sources as claiming that the United States was paying Israel for arms captured from the Palestine Liberation Organization, which were being passed on to UNITA and the FNLA by South Africa. 52/ In April 1984, the Government of Cuba accused the CIA of complicity in a car bomb explosion in Angola. UNITA claimed responsibility for the attack in which 14 Cubans working in the country were killed. 53/

IV. ECONOMIC COLLABORATION

The maintenance of apartheid in South Africa is closely linked to a diversified and expanding economy. Such an economy strengthens the loyalty of the white minority to the political status quo, may co-opt a small black minority who see economic prosperity as a more realizable goal than political rights, and provides the State with the products and technology needed to sustain itself in power.

An estimated R40 billion in foreign capital is involved in the South African economy. 54/ The South African Reserve Bank reported last year that "The South African economy has always been dependent on foreign capital as a means of supplementing domestic savings, with a view to maintaining a high rate of real economic growth." 55/

It is in the area of indirect investment, and particularly in the provision of bank loans, that the apartheid régime is most dependent on foreign support today. In the last ten years, South Africa's indirect liabilities have increased at a faster rate than foreign direct liabilities. 56/ Most of the increase in foreign indirect liabilities, and particularly the increase in South Africa's bank borrowings overseas, has come as a result of the Government's ambitious public sector development programme.

The South African Government has sponsored an enormous publicly-financed industrial expansion and self-sufficiency drive in the past twenty years. The programme is designed to provide a strong industrial base within South Africa and also to develop the régime's self-sufficiency, so that it will be able to withstand the threat of international sanctions. South Africa's most serious vulnerability is the result of its lack of domestic oil. The Government has poured billions of dollars into developing expensive and inefficient oil-from-coal facilities to reduce its dependency on oil imports. (As of 1982, all oil exporting nations banned exports of their petroleum to South Africa). The régime has spent billions of dollars developing domestic chemical and electrical industries for similar reasons.

Such development is extremely costly. South African Finance Minister Owen Horwood recently estimated that public sector capital expenditures over the next couple of years would average between R 8 and R 9 billion a year. 57/

Much of the money for these public sector programmes has been provided by foreign bank loans, and Horwood reported that public sector corporations will need to continue to borrow on foreign capital markets in the foreseeable future in order to avoid draining domestic capital reserves and inhibiting private sector growth. 58/

In another measure of the importance of foreign links, the President of the South Africa Foundation, Ted Pavitt, reported in March that South Africa depended on foreign trade for its very "survival." 59/ Imports and exports amounted to 60 per cent of gross domestic product, he reported, while comparative figures for the United States were between 15 and 18 per cent. 60/

The American role

One vital form that American support for South Africa takes, is in this area of economic collaboration. In contrast to earlier Administrations, under President Reagan, the United States has moved to actively encourage American economic ties with South Africa. American banks have been major lenders to the apartheid régime, and the United States Federal Reserve reports that, as of June 1983, United States banks had over \$3.883 billion worth of loans outstanding to South African based entities. 61/ In addition, direct American corporate investment totals some \$2.6 billion, and American shareholders own an additional \$8 billion worth of stock listed on the Johannesburg Stock Exchange. 62/

While it is difficult to measure precisely, this puts total United States financial involvement in South Africa as high as \$14 billion. 63/ Measuring just direct investment, United States financial involvement has grown at astounding rates in the last fourteen years, more than tripling in value. 64/

The raw dollar figures for United States economic collaboration with South Africa do not, however, tell the full story. American capital and technology has been especially important in the development of certain key sectors of the South African economy. 65/ For instance, American investment in manufacturing industries accounts for almost 10 per cent of the fixed capital stock in that sector of the economy. Forty-two per cent of United States direct investment is in the manufacturing sector, with American companies having substantial involvement in automobiles, chemicals and machinery. 66/ The other sector where American involvement is very large is energy. (see table II). The area of greatest expansion of United States direct involvement has been in the chemical sector, where the United States dollar value of direct investment doubled between 1978 and 1981. 67/

Investments from the Americas in general, of which United States investments make up well over 90 per cent have become increasingly important to the South African economy in the last ten years. Nedbank reports that "from providing nearly 18 per cent of South Africa's capital needs in 1973, the share of North and South America in capital rose to nearly 24 per cent in 1981." 68/ And other reports have indicated a similar rise in the importance of American capital.

Nowhere has this increase in the importance of American capital been more evident than in the area of bank lending. In the past five years, American banks have been involved in a wide

array of loans to South Africa, from financing private industries and universities, to providing material for State-owned corporations and even, reportedly, participating in direct loans to the government. 69/ Between June 1982 and June 1983, United States bank loans to South Africa increased by over \$200 million, to \$3,883 billion. 70/

Bank loans are also likely to be an area of increased involvement in the near future. South Africa's total foreign borrowings in 1983 were more than R3.5 billion and, as mentioned above, the Government has indicated that public sector corporations will need to borrow between R8 and R9 billion each year for the next few years. 71/ American banks are sure to play a role in this borrowing. Just this past March, the South African Government floated a R40 million bond issue on the Luxembourg Stock Exchange, which reportedly received a favourable reception. 72/ That bond issue was managed by a French bank and included participation by Belgian, British and American banks. 73/ South Africa is also expected to float another bond issue, this time denominated in dollars, in the near future on European currency markets. 74/

American involvement in the South African economy is not limited to direct and indirect investments. United States corporations, through licensing and franchise agreements, provide the South African economy with critical technology and know-how, and the United States is now South Africa's largest trading partner. In 1981, South African imports from the United States accounted for over 19 per cent of South Africa's total imports, while the United States was the main market for almost 15 per cent of South Africa's exports. 75/

Technology

Without critical technology provided by American corporations, the South African economy would have been severely constrained. According to a study by the United States State Department, cited in a recent report by the American Friends Service Committee, foreign technology could cripple South Africa." 76/

South African government officials often talk of the development of a domestic manufacturing capability, but despite years of efforts South Africa is still dependent on foreign corporations and their technology in a number of key sectors.

For instance, although the Government requires that 60 per cent by weight of each automobile sold in South Africa be of locally manufactured components, over 50 per cent of the value of each car is still imported. 77/ Sixty five per cent of the value of each locomotive General Motors makes in South Africa is still imported. 78/

In other sectors, dependence on foreign technology is even greater. South Africa still has virtually no domestic computer manufacturing capability and, in 1980, United States-controlled companies accounted for 75 per cent of all computer sales in South Africa. 79/

Energy and oil

Perhaps the most important collaboration between United States and South African interests is in the energy sector. Energy companies account for almost thirty per cent of the dollar value of United States direct investment in South Africa.

South Africa has not discovered any commercially exploitable petroleum deposits within its own borders and, although the régime meets many of its domestic energy needs from its substantial coal reserves, it remains dependent on liquid hydrocarbons for about one-quarter of its energy needs. 80/

South Africa requires an estimated 320,000 to 400,000 barrels of crude oil per day, which the Government must obtain on the international petroleum markets despite an official oil embargo by all the OPEC countries and most other non-OPEC producers. 81/ There is a great deal of speculation as to how South Africa obtains its petroleum supplies, but many observers believe oil is purchased through elaborate networks of front companies, and at higher-than-market prices on the international spot market. A government operated body, the Strategic Fuel Fund, appears to be nominally responsible for purchasing all oil, but it is likely to work closely with major oil and marketing corporations.

It is worth noting that several major South African companies have established substantial investments in areas that are useful in procuring petroleum supplies. The Anglo American Corporation, for instance, owns a 28 per cent interest in Phibro-Salomon Inc, the world's largest trader on the oil spot market. 82/ And Freight services, another South African company, has established an elaborate network of front companies that could be used to purchase oil. 83/

Once the crude oil is transported to South African soil, the Government sells the petroleum to oil companies operating in South Africa. Eighty-five per cent of the South African oil products market is controlled by five international oil companies--Shell, BP, Caltex, Mobil and Total. Shell and BP have approximately 18 per cent shares each of the market, while Caltex (Standard Oil of California and Texaco) control 20 per cent of the market, Mobil has an 18 per cent share and Total a 10 per cent share. 84/

The American oil companies control almost 40 per cent of the South African petroleum supplies market and supply oil and oil products to industry, the Government, and also to Namibia. These companies openly acknowledge providing petroleum products to the South African military and police. 85/

Realizing its dependence on imported oil, the South African Government has, since the 1950s, been attempting to reduce its dependence on liquid petroleum. These efforts took on a greater

urgency in the 1970s, when most OPEC countries began the oil embargo, and especially after 1979, when Iran stopped supplying oil to South Africa. The South African Government has instituted a massive industrial project to use its abundant coal supplies to produce liquid petroleum.

It is in this area of developing alternative fuels that American companies have played an especially important role. The United States Fluor Corporation has a billion dollar agreement to be the managing contractor for two of the three Sasol oil-from-coal projects. 86/ Fluor has been supplying management technology for the Sasol projects for many years and, recognizing the critical role that Fluor plays in these projects, the South African Government recently forced the American company to establish a South African subsidiary.

Fluor is also playing an important role in another energy programme. South Africa announced earlier this year that Fluor South Africa will share with the French firm Framatome the contract for maintenance of South Africa's first nuclear energy electricity generating plant at Koeberg. 87/ As reported in the section on Nuclear collaboration, American firms were instrumental in the development of South Africa's nuclear programme, and the current Koeberg facility is being supplied by a range of American-owned companies, including Mobil, which is the exclusive supplier of lubricants for the nuclear facility. 88

American transnational corporations are involved in nearly every aspect of the South African energy sector. And American corporations form an important part of the transportation, data processing and heavy machinery sectors of the South African economy as well. This involvement is in addition to the important role that American banks have played in providing capital for the development of the South African economy.

Opposition to United States involvement

The critical role of United States financial interests in South Africa has provoked a strong outcry from non-governmental organizations (NGOs) within the United States. American NGOs have, for the past twenty years, been waging a campaign to end American economic collaboration with South Africa. This campaign has included boycotts of banks that make loans to South Africa and campaigns to force educational institutions and churches to withdraw their investments from corporations investing in South Africa. Most recently, a campaign at the state and local governmental level called for legislation preventing these governmental bodies from investing their funds in corporations with investments in South Africa. The American Committee on Africa has calculated that over \$365 million is scheduled to be divested by state and local governments under legislation that has already been passed, and a number of other states are considering legislation that could result in substantial additional divestments. 89/

The United States Congress is also now considering legislation that, if passed in its entirety, would prevent new American corporate investments in South Africa, ban future American bank loans, and

prevent the sale of South African kruggerrands in the United States. 90/

These actions have been effective in raising the cost of the United States corporate presence in South Africa, but have not gone unchallenged. United States corporations argue that corporate investment in South Africa can be a force for positive change, and that continuing corporate involvement will actually help to eradicate apartheid. "United States companies work hard to change the character of South African society," said a recent letter from the American Chamber of Commerce in South Africa that was sent out to members of Congress. 91/

Government encouragement of trade and investment

The United States Government has also become a more vocal advocate of United States corporate involvement in South Africa. In the past, the United States Government's official position has been that it neither "encourages or discourages" American corporate investment in South Africa. 92/ But in a sharp break with earlier Administrations, the Reagan Administration has sought to actively encourage continued United States investment in South Africa. "American firms have a great deal to do with defining the role and the nature of American influence in South Africa," Secretary of State George Shultz told a group of businessmen in late March 1984. 93/ And Assistant Secretary of State for Africa, Chester Crocker, told an audience last November that "American firms are playing and can continue to play a role in bringing about constructive change in South Africa." Crocker also said that "Economic growth supported by foreign investment is, therefore, essential to the creation of opportunity for black South Africans." 94/ In another concrete manifestation of this policy, the Commerce Department last year opened a seven-person trade promotion office in South Africa. United States officials insisted that the move was purely a commercial decision, but others were not convinced, and one South African newspaper headlined a story about the new offices: "U.S. DEFIES THE SANCTIONS LOBBY:" 95/

Supporters of sanctions and divestment are not persuaded by the arguments of the United States Government and the corporations. They point out that since 1960, American direct investment in South Africa has increased four-fold. In that same period, the general level of poverty and oppression against the black majority has also increased. Since 1960, the South African Government has forcibly removed more than 3.5 million people to barren rural areas known as bantustans. According to a new, two-year study funded by the Carnegie Foundation, there has been "a radical increase in impoverishment among South Africa's black majority, despite improvements in some black living standards." 96/ The harsh reality is that twenty four years of substantially increasing United States investment, far from producing positive change, has served to further bolster a government which continues to oppress over eighty per cent of its population.

Other forms of economic collaboration

American commercial links with South Africa go beyond purely financial ties. South African Airways makes five weekly flights to the United States, four to New York City and one to Houston, Texas. 97/ In an attempt to break out of its international isolation, South Africa has consistently sought to expand airline routes to American cities. American NGOs have worked hard to block further expansions of airlinks with South Africa. When South African Airways announced that it was applying for permission to fly into Houston last year, a coalition of church, student and community groups joined with Congressman Mickey Leland to fight the new air route. The coalition organized a letter writing campaign, pickets and other efforts to block South African Airways. Although protesters failed to prevent South African Airways flights to Texas, the company has said that as a result of the difficulties it encountered in winning the Houston route, the airline will not be seeking additional United States routes for some time.

Shipping

Commercial links with South Africa are also maintained through extensive shipping ties between South Africa and the United States. The South African parastatal corporation Safmarine reports that it serves eleven American ports, including New York, Philadelphia, Baltimore, Charleston, Newport News, Savannah, Norfolk, Jacksonville, Houston, Baton Rouge and New Orleans. 98/ South African companies have set up elaborate networks of dummy companies and freight forwarding firms to defeat any efforts to enforce sanctions against South Africa. 99/ One concrete example of the types of shipping links that exist between the United States and South Africa was revealed last February, when a ship carrying uranium from South Africa spilled part of its cargo as it was preparing to dock and unload in the port of Baltimore. The uranium spill was relatively small and was contained, but the accident publicized the fact that South African uranium is being imported to the United States for further processing and the publicity led to a number of local NGOs organizing pickets to protest the South African presence. 100/

Tourism

The South African Government also seeks to encourage commercial links between South Africa and the United States by promoting tourism. Over one million tourists visit South Africa each year and between 6 and 8 per cent of these people are Americans. In September of last year alone, 5,263 people from the United States visited South Africa. 101/

V. CULTURAL, ACADEMIC AND SCIENTIFIC COLLABORATION

A. Cultural boycott

The South African régime sees expanding international cultural contacts as one way to break down white isolation and undermine black morale. Millions of dollars have been channeled into bringing well-known United States and other foreign entertainers to perform in South Africa.

International support for a cultural boycott was greatly stimulated in 1965 when South Africa enacted strict regulations prohibiting multi-racial performances and audiences. 102/ That same year the American Committee on Africa launched the "We Say No To Apartheid" campaign which urged United States artists, writers, and entertainers to pledge not to perform in South Africa or let their works be distributed there. 103/

The campaign in the United States was further stimulated by the 1968 passage of a United Nations General Assembly resolution, (Resolution 2396), calling on the world community to boycott cultural, educational and sports contacts for as long as South Africa continued to practice apartheid. 104/

The cultural boycott has the support of South African liberation forces headquartered outside the country, as well as of black political groups inside South Africa. 105/ In 1980 and 1981, the Azania People's Organization (AZAPO) and the Congress of South African Students (COSAS) organized successful boycotts of tours of some black American entertainers. Such actions undercut the argument advanced by apartheid apologists that the boycott only hurt black South Africans. It was clear that black South Africans would rather live a little longer without American music if such isolation might help shorten apartheid's duration. In 1981 AZAPO, with the support of several other black organizations and leaders, issued a call for a world-wide boycott of artists who had performed in South Africa.

Many individual artists abided by the boycott in the 1960s and 1970s, some choosing instead to perform at pro-liberation events. However, cultural contacts continued between apartheid and the United States.

The brutal nature of apartheid was again exposed in the repression that followed the Soweto uprising of 16 June 1976. As even South Africa's allies voiced criticism of the system, calling for changes to improve apartheid's image, South African whites were shaken by the internal events and the threat of greater isolation, while black South Africans drew strength from their unity and ties with supporters throughout the world.

The travesty of an "independent" Bophuthatswana in late 1977 provided South African promoters with a convenient new angle. They told foreign entertainers they wanted to book them for a newly independent African country when they signed them on for

Sun City, the \$42 million sports and entertainment resort located in the puppet bantustan.

The South African theatrical productions were brought to the United States to propagandize for apartheid, "Ipi Tombe" in 1976 and "Umbatha" in 1978. The effort backfired, however, as New York anti-apartheid activists held nightly picket lines in front of the theaters, creating bad publicity and exposing the purpose of the shows. Both shows closed earlier than their producers had expected. 106/

The most intense efforts made to break the boycott came in the 1980s. Fees offered to entice artists to go to South Africa were enormous. Frank Sinatra received \$1.79 million for nine performances in Sun City in 1981. (Showing contempt for the reasons for the boycott, Sinatra returned for another engagement in 1983). But other performers stood their ground and refused to go along with apartheid. Black rhythm and blues singer Roberta Flack turned down a reported \$2.5 million, rather than break the boycott. 107/

United States activists sought ways to enforce the boycott. The structure of the entertainment industry presented certain kinds of problems that at first were hard to overcome. Its decentralized character meant that often it was not known that an artist had signed a contract to go to South Africa until he or she had returned. It was hard to carry out an education campaign to make sure no one went out of ignorance. It was very difficult to contact agents and entertainers, though some success came through this direct approach. 108/

Activists began to organize picket lines at performances of boycott violators in 1982. The National Black United Front established the Coalition to End Cultural Collaboration with South Africa along with the United In Action network of the Patrice Lumumba Coalition, and African Jazz Artists Society and Studios (AJASS) organized picket lines in several cities. 109/ The picket lines put pressure on the artists and carried the message that their United States earnings might be jeopardized by the tainted money they were accepting from South Africa. Media coverage helped in educating people about the issue. Black artists and audiences were particularly responsive to the approach because of traditional bonds with Africa.

In September 1983, the cultural boycott work in the United States was put on a national footing by the formation of Artists and Athletes against Apartheid (AAAA), an organization of prominent members of the entertainment and sports industries committed to explaining the boycott and apartheid to their colleagues and fans. 110/ AAAA is co-chaired by Harry Belafonte and Arthur Ashe, with the Washington DC-based lobbying group TransAfrica helping co-ordinate the work. Some 30 national and international groups support it. AAAA has done large direct mailings to its constituencies, held symposia aimed at the same, and promoted the boycott and an understanding of apartheid on a series of televised public service announcements. 111/

The United Nations Centre against Apartheid issued the first authoritative "Register of entertainers, actors, and others who have performed in apartheid South Africa" in October 1983. Over 80 United States entertainment figures were included. The list is issued to help those wishing to bring pressure on violators and to give credit to those who have taken a principled stand despite large monetary inducements to do otherwise. 112/

All these activities appear to have had an impact. While some thirty major entertainers a year went from the United States to South Africa in 1981 and in 1982, many fewer were willing to go in 1983 and 1984. TransAfrica reported that the Bophuthatswana entertainment manager was complaining that there was much resistance to bookings there by United States managers and artists. 113/

B. Academic and scientific collaboration

Academic exchanges between the United States and South Africa occur on many levels. Some contacts are organized at the government level, many are between educational institutions or academic societies. The United States Government describes its programme as: (1) being based on humanitarian considerations where programmes relate to refugees; (2) providing benefits for academics and professionals; (3) providing educational opportunities which South Africa cannot or will not provide for its black students; and (4) providing benefits from exposure to the United States economic, political and cultural setting. As discussed in Chapter IX below, a further consideration motivating some programmes appears to be exchanges with South Africans who are, or could be in the future, in key economic and governmental roles.

Since the 1960s, the United States Government has provided opportunities for black South Africans to attend United States educational institutions. Until recently, most came under the auspices of programmes for refugees from apartheid, such as the Southern Africa Scholarship Programme (SASP), a programme administered by the African-American Institute. (See Chapter IX). A small number of South Africans in South Africa (both black and white) qualified for the Fulbright scholars programme; others came to the United States through Ford Foundation's Black Faculty Fellowship Programme. 114/ As described in Chapter IX, new programmes aimed at providing a United States education for black South Africans have turned away from refugees toward students coming from inside South Africa.

About forty-five South Africans are in the United States under the Fulbright programme. About 80 per cent are black South Africans. They come from all academic disciplines except for liberal arts, and come for graduate study. They are affiliated with a university which provides them with the necessary support. The selection process involves submitting a research proposal. 115/

The Council for International Exchange of Scholars has an African Senior Scholars Programme which brings participants from countries in Africa with friendly relations with the United States, including South Africa. The scholars do research at United States institutions for a four-month period. 116/

The United States Government's International Visitor Programme brings black and white South African professionals to the United States for 30-day "exposure" trips. These are in a wide range of professional areas, and include tours of university and research centres for multi-racial teams or individuals. The IVP for South Africa is the largest for any country on the continent, equalling the total number from the rest of Africa. 117/

There are programmes enabling American scholars to travel to South Africa, but they are rather small. There are one or two United States students a year going on Fulbright scholarships, but no professors are there at the moment on teaching or research grants under the programme. The United States Information Agency (USIA) sends one or two "American Cultural Specialists" a year, academics from any discipline who spend from two to six weeks in a pre-arranged academic programme. 118/

The USIA also administers the American Participants Programme which sends people from the United States Government, media and academia to South Africa for 3 or 4 day speaking tours bringing them into contact with South Africans in their field. They speak to both academic and non-academic audiences. 119/

It is difficult to discover the full scope of United States-South African academic exchanges, because so much is carried out on a private basis between academic institutions. A cursory survey of the South African press gives an idea of how varied are the institutions, however. 120/ Over the 1980-1983 period, professors from the following schools went to South Africa: Yale University (History), Cornell University (Engineering), New York Medical College, SUNY (African Studies), Columbia University Business School, University of Arkansas (Political Science), Harvard University Business School, University of Wisconsin, (African Languages and Literature), University of California, and the Citadel (Political Science). Their itineraries took the professors into a wide range of South African academic settings - University of Stellenbosch, University of Witwatersrand, the Heart Foundation of South Africa, South African Institute of International Affairs, University of South Africa and its Business School, University of Cape Town and its Business School, University of the Western Cape, and the University of Pretoria's Institute of Strategic Studies. 121/ The latter contact did not actually take place because the Citadel professor got sick. The Citadel is a military academy which provides more officers to the United States military than the official service academies.

Scientific contacts are also carried out at the official levels, as already noted in Chapter III on the arms embargo, and the exchange of scientific and technical information under corporate auspices can, at the moment, only be guessed at as being very extensive.

VI. SPORTS CONTACTS

The issue of apartheid in sports was first raised as an international concern in the 1960s, although South Africa had instituted the policy of strict racial separation in sports in the 1950s. 122/ The formation in 1959 of the South African Sports Association provided an organizational means to raise the issue of black South Africa's participation at the international level in sports recognized as Olympic sports. 123/ Some superficial bending of South African sports policy has occurred in the ensuing years, to the extent that "multi-racial" teams are on occasion fielded for international competition. This veneer belies the reality, which is that sports in South Africa remain more than 99 per cent racially segregated by law.

In the 1960s and 1970s, many international sporting federations which have United States affiliates suspended or excluded South African teams from participation in international competition. These included federations for such sports as boxing, fencing, gymnastics, hockey, ice hockey, soccer, squash, table tennis, wrestling, and weightlifting. 124/ Nonetheless, the trend over the last few years has been for increased sports contacts between the United States and South Africa, with the United States becoming one of South Africa's major sports partners. Enforcement of the boycott of apartheid sports has been up to concerned sportspeople and anti-apartheid activists in the United States.

Organizing to block these contacts has provided a fruitful convergence of interests for anti-apartheid and civil rights activists, enabling them to build broad coalitions able to both educate the public, and at times, to block the contacts. The coalition headed by the National Association for the Advancement of Colored People (NAACP) which brought out 6,000 protesters to oppose South Africa's participation in the 1978 Davis Cup tennis match in Nashville, Tennessee, is an early example. 125/ The work done around the 1981 tour of the Springbok rugby team is another. In the Springbok case, the matches scheduled for Chicago and New York City were cancelled solely due to pressure which activists brought to bear through the media, organizing in the communities, and influencing political figures. The only public match was held in Albany, New York, and it was picketed by 2,500 protestors who vastly outnumbered those who came to see the match. 126/

The most recent such coalition was the 1983 Soweto Solidarity Coalition in New York City. It organized opposition to the World Boxing Association's junior-middleweight match which had originally been scheduled for Sun City, but ultimately was held at Madison Square Garden on the anniversary of the 16 June 1976 Soweto Uprising. The choice of this day for an apartheid-related sports extravaganza was viewed as an insult to the memory of the hundreds of young black men and women shot down in the streets of Soweto by the South African police. Several thousand people protested against apartheid in sports in one of the largest anti-apartheid demonstrations in the United States for many years.

South Africa is pouring enormous sums of money into the campaign to attract prominent United States sports figures. The United Nations Centre against Apartheid maintains a register of sports figures (athletes, coaches, promoters) who are sports mercenaries willing to lend legitimacy to apartheid for money. This register is a helpful tool for boycott organizers. Sports figures like John McEnroe should be commended for resisting the tempting financial offers that the South Africa's apartheid makes to them. 127/ Working through Artists and Athletes against Apartheid (AAAA), some sports figures are trying to educate their colleagues and their fans about the existence and the reasons for the boycott. 128/ ACCESS, the American Coordinating Committee for Equality in Sport and Society, a coalition of many groups, also continues to monitor sports contacts between the United States and South Africa in order to mobilize for actions against them.

Although South Africa was formally excluded from the Olympic Movement in 1970, 129/ the inclusion of individual South African athletes and teams who had previously competed with apartheid teams has caused controversy, leading some countries to boycott the Olympic Games. Such action was taken by many African countries in 1976. 130/ The 1984 Olympic Games, to be held in Los Angeles, are likely to provide a key testing arena for South African efforts to re-enter international sport. This year, there are South African athletes who plan to compete from countries of which they are new citizens, in violation of the International Olympic Committee's own requirement of three years minimum citizenship before competing as part of an adopted country's Olympic contingent. 131/ There are also many indications that South Africa intends to lobby hard for re-inclusion by 1988.

VII. UNITED STATES RECOGNITION OF SOUTH AFRICA

A. United States personnel in South Africa

The United States has full diplomatic relations with South Africa. It maintains its embassy in Pretoria with an ambassador, deputy chief of mission, political officer, economic officer, administrative officer, regional security officer, public affairs officer, and a defense attache. There are Consul-Generals in Cape Town, Durban and Johannesburg. In addition, Cape Town has a political/economic officer, an economic, commercial officer, and administrative officer, a consul, and a branch public affairs officer. In Johannesburg, there is a political/economic officer, a commercial officer, labour officer, minerals officer, consul and a branch public affairs officer.

B. United States policy toward the bantustans

The United States Government has had a policy, since the Transkei was made "independent" by South Africa, of refusing to recognize the bantustans. In line with this policy, former Under-Secretary of State for Political Affairs, Lawrence Eagleburger, said last year; "We reject unequivocally attempts to denationalize the black South African majority and relegate them to citizenship in the separate tribal homelands." 132/ In late 1982, there were reports that a political officer at the United States Embassy in South Africa, Keith McCormick, was visiting several independent bantustans in order to collect information, and that this constituted a change in United States policy in that before this time United States Government personnel had been forbidden to travel to the bantustans. 133/

The State Department in Washington, however, denied any change in policy. A spokesman said that the United States Government remained unequivocal in its rejection of the bantustans, but that United States personnel had always visited them from time to time to collect information.

Given Eagleburger's statement in 1983, it does seem clear that the Reagan Administration is continuing to reject the bantustan strategy. This does not mean, however, that Reagan Administration's officials have taken any action on the brutal repression that has taken place in recent years in the bantustans. In 1983, when there were reports that at least 100 people died in the Ciskei, American officials operating under the principles of "constructive engagement" refused to criticize the South African Government for the actions of its surrogate in Ciskei.

Although the Reagan Administration does not recognize the bantustans, the four so-called "independent" bantustans maintain representatives in the United States.

There appears to be some tendency amongst United States corporations to undertake business in or with the so-called "independent" bantustans. Thus a recent report indicated that Dimbaza Foundries in the Ciskei had become one of the top exporters of manganese steel castings to the United States. 134/

VIII. UNITED STATES POSITION ON SOUTH AFRICA AT THE UNITED NATIONS

The United States record in the United Nations under the Reagan Administration graphically illustrates the general unwillingness of the Administration to censor South Africa. On the 38 resolutions concerning South Africa considered in the General Assembly from 1981 to 1983, the United States failed to cast a single affirmative vote. It abstained five times, and voted "no" 33 times. During the same period, the United States abstained on every resolution concerning Namibia. In the Security Council, the United States has voted in favour of resolutions calling on South Africa to commute the death sentences of members of the ANC on trial in South Africa, condemning the mercenary attack on the Seychelles, and condemning South Africa for its aggressive act against Lesotho in December 1982, but it has consistently refused to vote for any resolution condemning South African aggression against Angola.

IX. QUESTION OF ASSISTANCE TO THE OPPRESSED PEOPLE OF SOUTH AFRICA
AND THEIR LIBERATION MOVEMENTS

The United States Government's relationship to the South African Government has always taken precedence over United States relationships with the liberation movements of South Africa and Namibia. Relationships under Democratic Administrations have been more open than those under Republican ones. Under President Carter, the United States Ambassador to the United Nations was available to the liberation movements. Under Reagan, for example, the ANC representative to the United Nations has not been inside the United States Mission even once. 135/

Funds for South African and Namibian refugees are channeled through the United Nations. The Namibian liberation movement, SWAPO, is specifically banned by federal law from receiving United States funds designated for "international organizations and programmes". Of the \$500,000 granted to the United Nations Institute for Namibia in 1983, \$10,000 was withheld because the United States said it would have gone directly for expenses of SWAPO members of the Institute's board of directors. 136/ The following chart illustrates that the House of Representatives more than the Senate or the Administration has been primarily responsible for securing funds for the Institute for Namibia and the United Nations Trust Fund for South Africa. The figures in the "Conference" column are those actually granted, after negotiations between the Administration and both Houses of Congress. Aid for 1985 has not yet been agreed upon.

UNITED NATIONS REFUGEE PROGRAMMES
(in millions of dollars)

<u>1984</u>	<u>ADMINISTRATION REQUEST</u>	<u>HOUSE</u>	<u>SENATE</u>	<u>CONFERENCE</u>
Institute for Namibia	0	.5	0	.5
United Nations Trust Fund for South Africa	0	.34	0	.343
United Nations Educational and Training Programme for Southern Africa	1.0	1.0		1.0
<u>1985</u>				
Institute for Namibia	0	.5	0	
United Nations Trust Fund for South Africa	0	.34	0	
United Nations Educational and Training Programme for Southern Africa	1.0	1.0		

The United States Government has for many years made regular contributions to the United Nations Educational and Training Programme for Southern Africa. Further, as referred to in Chapter V, the United States also supported other refugee directed programmes, such as the Southern African Scholarship Programme, from the 1960s on. This programme, now called the Southern African Training Programme, is open to refugees from apartheid who have political asylum in an African country and seek post-secondary training or degrees. The grants are given for study in the United States or in one of several African countries. All students must pledge to return to their country of asylum for at least two years after finishing their education. They are encouraged to study subjects with relevance for development. Between August 1976 and March 1984, 179 South Africans and Namibians had been sponsored for training in other African countries, while 113 had come to the United States. 137/

The Reagan Administration is not, however, channeling most of its aid to South African blacks through the United Nations or directing it toward refugees from apartheid. Instead, between \$15 and \$16 million for fiscal years 1984 and 1985 is being given as part of the over-all policy of "constructive engagement." This is the largest amount of aid granted to South Africa in any recent period. It will not go to the South African Government, but is being divided between a number of agencies in the United States and South Africa. "Peaceful, evolutionary change," rather than "violent revolutionary change," is what the aid is allegedly intended to promote.

Education for blacks and support for human rights activities seem, on the face of it, to be unobjectionable. But this United States aid does not contradict the strategy adopted by the white minority Government to maintain and perpetuate the status quo. According to this strategy, economic prosperity for whites is essential, and the limited white labour pool requires the development of an elite black force that can supplement white skills and will, it is hoped, see its interests not as those of the majority of blacks, but as maintaining the economic status quo. The largest amount of United States aid to South Africa goes to train black South Africans. It is directed towards obtaining skills in the United States compatible with moving them into a black middle class.

The first residents from South Africa covered by the new projects came to the United States in 1981. For the years 1984 and 1985, a total of \$8 million is being channeled through three American institutions which are administering the scholarship programme in the United States. There are 169 students in the United States under the auspices of the South African Educational Programme (SAEP) of the Institute of International Education in 1984. The American African Educational Foundation (AAEF) has 17 students and Aurora Association has 21. The students for SAEP and the Aurora Associates Programme are chosen by the South African Educational Opportunities Committee headed by Bishop Desmond Tutu of the South African Council of Churches. The United States Agency for International Development administers the funds for these two programmes.

AAEF students are chosen by the United States Embassy and a USIA person in South Africa, and the Programme is administered by USIA. 138/ The SAEP programme is a joint government, university and foundation venture; participants agree to return to South Africa upon completion of their training. An effort is made to place graduates in jobs with United States corporations in South Africa. 139/

A second programme has set aside \$2.15 million to help black South Africans, hindered by inadequate secondary schooling, to prepare for university. An additional \$3 million has been granted to the National African Federated Chamber of Commerce (NAFCOC) to train black business leaders. Although the administration of this grant has not yet begun, many members of NAFCOC reside in the bantustans and support for them will help strengthen the bantustan structures that fragment South Africa.

United States aid is also aimed at the emerging black trade union movement in South Africa. Universally recognized as the most important development with profound economic and political implications, the pressures to influence and control it come from many quarters. For the year 1984, \$875,000 is being channeled through the AFL-CIO's African-American Labor Center for leadership training for black trade unions.

When efforts were made to establish links between the African-American Labor Center and the South African unions in 1982, it was widely reported in the South African press that the CIA was attempting to gain an influence in the trade union movement. Stories alleged that the African American Labor Center had long been suspected of such ties. 140/ It is unclear if there will be additional funds for the programme in 1985.

At the very end of the 1983 Congressional session, \$1.5 million was approved to aid human rights groups in South Africa. The grants of up to \$10,000 will be administered by United States Aid, but no recipients have been named to date.

Finally, the United States Embassy in Pretoria has discretionary funds, and these have dramatically increased because of the devastating drought in southern Africa. In 1983, \$55,000 was designated for emergency drought relief. The amount was increased to \$255,000 for 1984 and the 1985 amount has not yet been allocated. In addition, the Ambassador has been allocated for 1984 the amount of \$275,000 in discretionary funds. He is likely to have an equivalent amount allocated in 1985. 141/

X. SOUTH AFRICA'S PROPAGANDA AND LOBBIES IN THE UNITED STATES

South Africa has full diplomatic relations with the United States, with an ambassador in Washington, D.C. It also has an ambassador to the United Nations. One of the many functions of the embassy in Washington is the dissemination of information. The Information Minister in the Embassy publishes and distributes a wide range of material and makes films and speakers available. Information packets are sent on request to schools, libraries, businesses and members of the press.

The publication "Backgrounder", a monthly newsletter, is illustrative of the concerns addressed by the Embassy.

In 1983, it covered a variety of political and economic topics. It profiled the newly-proposed tricameral legislature and portrayed South Africa as "A Model for Good Government". In an issue on SASOL (the South African Coal, Oil and Gas Corporation), the future of the domestic economy was described as robust and rosy. The South African economy was consistently portrayed as a force for development and stability in southern Africa. At the same time, South Africa was described as besieged by the Soviet Union through its agents in neighbouring countries. Several issues of the "Backgrounder" were devoted to appeals to American businesses to invest in South Africa. Two major arguments were offered: first, that American self-interest was served by bolstering South Africa and preserving Western access to its mineral resources; second, that American business could do good (by helping to "incorporate the less privileged sectors into the free enterprise system"), while it did well (South Africa "ranks high as a lucrative and safe investment field in Africa and the world"). 142/

South Africa has four Consultes-General in New York, Chicago, Houston and Beverly Hills. Mobile, Alabama and New Orleans have Honorary Consulates-General. In Phoenix, Portland, Oregon, Pittsburgh and Salt Lake City, there are Honorary Consulates.

Between 1973 and 1978, at least \$70 million was spent by the South African Department of Information for secret projects aimed at improving South Africa's image abroad. The United States was a major focus of this campaign. Efforts were made to buy newspapers and influence the media, among other things. In 1978, the secret funding was discovered and a scandal ensued in South Africa. The Department of Information was reorganized. Propaganda work continued, but it was to be carried out in the open. However, 56 secret projects were approved to be continued because of their importance to the national interest. Information on these projects is unavailable.

The South African Consulates in the United States carry on South Africa's image building. Among their many functions is the promotion of economic ties between the two countries, and the promotion of an image of a positive, changing South Africa which deserves support and respect. The divestment campaign which exposes their propaganda efforts and calls for severing of all economic ties to South Africa, has presented them with their greatest challenge.

Since the divestment campaign is active in states throughout the country, the Consulates have been active trying to persuade state elected officials that divestment is damaging not only to the states involved, but also to blacks in South Africa.

Visits to South Africa

The South Africans have not limited their efforts against divestment to lobbying in the United States. In states where there was a strong push for divestment legislation, the South Africans have carefully chosen state senators and representatives whose opinions might be changed by a visit to South Africa. Elected officials from Maryland, Illinois, Wisconsin and Nebraska have travelled to South Africa as guests of the Government. Some of them returned as enthusiastic apologists for apartheid.

United States lobbyists

South Africa also hires United States lobbyists to promote the political, economic and cultural objectives of the South African Government in the United States. This involves improving South Africa's image, promoting trade, investment and securing loans, making contacts with government officials, members of Congress and other opinion makers, and advising and assisting in all ways to promote a positive relationship between the United States and South Africa.

The United States lobbyist with the largest contract from South Africa has been John Sears of Baskin and Sears. The former campaign manager for Ronald Reagan, Sears was receiving \$500,000 a year for his work promoting South Africa. 143/ Political controversy erupted this spring over campaign contributions paid by Baskin and Sears to a number of United States elected officials. When the Comptroller of the City of Pittsburgh learned that Baskin and Sears, who had a \$500,000 contract with the city, was an agent for the South African Government, he urged that a choice be made. Baskin and Sears could represent South Africa, or Pittsburgh, but not both. The result of this challenge was the break-up of the Sears partnership with Baskin. Sears will reportedly continue to represent South Africa, and Baskin will continue to represent Pittsburgh.

The other firms which work for the South African Government are Smathers, Symington and Herlong with a \$300,000 annual retainer, the government and public relations consultants Spencer Roberts and William Hecht Associates, retained jointly for \$150,000 a year, and Kimberley Cameron Hallamore, a government relations consultant who receives \$63,000 a year. 144/

Working for South Africa to promote in the United States a good image of the illegal South African Administration in Namibia. is the United States-South West Africa/Namibia Trade and Cultural Council represented by Carl L. Shipley and Marion H. Smoak, officially retained by the South African Administrator-General of Namibia.

The gold lobby

South African gold sales to the United States constitute an important percentage of total South African exports. In 1983, gold coin sales to the United States totalled \$450,225,000 or 22.2 per cent of all South African exports to the United States. Gold and silver bullion sales to the United States equalled an additional \$38,135,000. For the first quarter of 1984, gold coin exports to the United States was valued at \$341,384,000. The comparable figures for the 1983 first quarter were 17.9 per cent and \$83,580,000. 145/

The most important South African lobby in the United States, measured by financial investment, is the gold lobby. Since 1976, the International Gold Corporation of Johannesburg has had a wholly-owned United States subsidiary with the same name, and offices in New York and Los Angeles. The work of the International Gold Corporation in the United States is to promote investment in and commercial use of gold and to promote and market the krugerrand in North America. During the nine-month period from April through November 1983, the International Gold Corporation disbursed to its United States subsidiary for non-political gold promotion more than \$17.5 million.

The International Gold Corporation also engaged a New York public relations firm, Rubenstein, Wolfson and Co., Inc., to do its political lobbying. The firm was hired to target public officials, legislators, civic groups, government agencies, newspapers, educational institutions, and trade associations. Specifically, meetings were held with members of Congress and their staff to discuss federal legislation that would ban the imports of the Krugerrand into the United States. 146/

XI. CONCLUSIONS AND RECOMMENDATIONS

The purpose of this North American Regional Conference is to intensify action against apartheid. This paper does not seek to pre-empt the fullest discussion of the means by which participants can carry through this mandate, as they seek to draw the masses of the people of North America into supporting the just struggle of the people of South Africa and Namibia for freedom.

This paper has focused attention on some of the major lifelines through which the South African State and apartheid society draw strength and nourishment from the United States through both public and private connections and policies.

It has shown that the current constructive engagement policy of the Reagan Administration is providing unprecedented psychological and material support to the South African régime, enabling it to expand and intensify a three-pronged policy aimed at the long-term preservation of the apartheid State. South Africa's policy is characterized by escalating internal repression and dispossession of the black majority population, an aggressive military cross-border onslaught against neighbouring States, aimed at undercutting their independence and preventing the independence of Namibia, and a worldwide propaganda barrage which seeks to perpetuate the myth of change and thus reduce international pressure against apartheid.

In the United States, there are many indicators that millions of Americans reject this policy and have begun to seek direct ways of choking off aid to apartheid. These include the dramatic growth of the divestment movement, particularly at the state and city level, Presidential candidate Jesse Jackson's focus on South Africa as an issue in his campaign, the passage by Congress of legislation to curb Administration's ability to allow IMF loans to South Africa, the recent formation of Artists and Athletes against Apartheid, and the formation of the New York Labor Committee against Apartheid.

These initiatives should be supported and expanded. They are aimed at critical connections, both material and psychological.

Arenas which participants may wish to focus on will certainly include the following:

1. Economic links. Ways must be found to strengthen the movement to cut off investment in and lending to South Africa. An area which has generated little attention, and deserves more, is that of trade between the United States and South Africa.

2. Arms embargo, nuclear links and high tech exports.

Work in these arenas is becoming increasingly important and would provide the basis for new coalitions with sections of the Nuclear Freeze, non-intervention and peace movement.

3. Sport, culture, academic and scientific exchanges.

The campaigns to implement the sports and cultural boycott have been able to generate widespread support. There is currently a weakness in the ability of anti-apartheid activists to monitor and thus act on academic and scientific exchanges and this area deserves some special attention.

4. The secret war and South African propaganda.

While news of Contra activities in Central America is now treated as newsworthy in the Western media, South Africa has been able to carry out a campaign of military aggression and general destabilization against the Front-line States behind a protective wall of silence. This wall must be smashed, the story told, and at the same time, a vigorous campaign should be launched to expose the propaganda about change in South Africa.

5. Liberation movement support.

The right-wing in North America and the Reagan Administration consistently seek to discredit those engaged in the liberation struggle as terrorists. It is vital that energies be invested in providing a clear picture of the goals and nature of the liberation movement, and in creating direct connections between the liberation forces in South Africa and Namibia and North Americans by material aid campaigns, speaking tours and other forms of improved public relations work.

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Appendix I

United States Commerce Department Export Control
Regulations on South Africa and Namibia, 21 January 1983

- A. A validated export license is required for foreign policy purposes for export to South Africa and Namibia of:
1. items controlled pursuant to the United Nations arms embargo of South Africa, i.e., arms-related materials, and equipment and supplies used in the production and maintenance of arms or related materials;
 2. aircraft and helicopters;
 3. the following items, when destined for military or police entities:
 - a) commodities controlled for national security, nuclear non-proliferation, or crime control reasons, and related technical data; and
 - b) automotive vehicles, watercraft, parts and accessories therefore, and tires; and
 4. computers for the Department of Co-operation and Development, Department of Internal Affairs, Department of Community Development, Department of Justice, Department of Manpower Utilization, and administrative bodies of the "Homelands" that carry out similar functions.
- B. Applications for validated export licenses will:
1. be denied for items controlled pursuant to the United Nations arms embargo of South Africa;
 2. generally be considered favorably on a case-by-case basis for aircraft or helicopters subject to a license condition that the aircraft or helicopters may not be put to military, paramilitary, or police use;
 3. be denied for military or police entities except, on a case-by-case basis, for:
 - a) automotive vehicles, watercraft, parts and accessories therefore, and tires that would not contribute significantly to military and police functions;
 - b) other items not controlled for national security, nuclear non-proliferation, or crime control reasons;
 - c) medical supplies and equipment, including air ambulances;

- d) commodities and technical data to be used in efforts to prevent acts of unlawful interference with international civil aviation;
- e) word processors, personal computers, electronic cash registers, hand-held standalone calculators, electronic copy machines, and personal communication equipment that would not contribute significantly to military or police functions;
- f) foreign origin equipment incorporating 20 per cent or less by value of United States-origin components;
- g) re-exports or re-sales of insubstantial portions of commodities or technical data exported originally to parties other than the South African military or police, and sales of insubstantial portions of the South African-produced product of United States origin technical data, if the commodities, data, or product of the data would not contribute significantly to military and police functions.

Appendix IITable I

United States Direct Investment in South Africa 1982
 (Figures in millions of dollars)
Sectors of Involvement

<u>Sector</u>	<u>Amount</u>
Mining	177
Petroleum 1)	d
Manufacturing	1,128
Food and kindred prod.	
Chemicals and allied prod.	
Primary and Fab. metals	
Machinery, except. elec.	
Electric and electronic eq.	
Transportation 2)	
Other manufacturing	
Trade	401
Banking 3)	d
Finance (except banking), insurance and real estate	31
Other industries	65
	<hr/>
TOTAL DIRECT INVESTMENT (1982)	<u>2,513</u>

"d" Figure depressed by Department of Commerce to avoid release of financial information on individual companies

1. There are two American companies that account for most of the United States direct investment in the petroleum sector, Mobil and Caltrex. Mobil's assets are approximately \$426 million and Caltex's are approximately \$334 million.

2. The main American companies in the transportation sector are Ford (\$213 million assets) and General Motors (\$243 million assets). Ford's investment in South Africa is not accounted for by Department of Commerce figures because it is through Ford Canada.

3. Only one American bank has actual branches in South Africa, Citicorp. Citicorp's assets amount to about \$12 million.

Source: Basic data from Survey of Current Business, August 1983. Additional information in footnotes from Roger Walke, Unified List of United States Companies with Investments or Loans in South Africa, April 1983.

Table II

United States Direct Investment in South Africa
(Figures in millions of dollars)

<u>1960</u>	<u>1966</u>	<u>1968</u>	<u>1970</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
286	600	692	864	1,851	1,906	2,321	2,619	2,513 *

*Dollar figure for 1982 is slightly reduced because of the effects of recession in South Africa.

Source: 1960, 1966, 1968 data from testimony by Harold B. Scott, Deputy Assistant Secretary and Director, Bureau of International Commerce, Department of Commerce, before House Subcommittee on Africa, 15 June 1971.

1970 data from letter by David M. Abshire, Assistant Secretary for Congressional Relations, Department of State, reprinted in hearings titled "U.S. Business Involvement in Southern Africa, Part 3. Hearings Before House Subcommittee on Africa".

All other figures from Survey of Current Business annual data on United States Foreign Investment Direct Investment, August issue and data supplied to the American Committee on Africa by Bureau of Economic Analysis, Department of Commerce.

IMPORTS FROM US

(\$000s f.o.b. value)

<u>Description</u>	1980	1981	1982
Aircraft	179 274	116 484	162 506
Mech shovels, nspf	156 943	158 501	143 893
Digital cpus	64 279	82 347	104 687
Aircraft, parts	61 160	81 240	66 141
Chassis, parts	59 658	81 842	50 362
Rice, not parboiled	43 965	54 394	47 292
Parts of office mach, other	26 471	41 430	43 466
Chem mixtures & preps	41 035	62 138	42 346
Rail locomotives	0	0	35 187
Paper impregnated	13 904	26 642	34 800
Chem wood pulp	42 751	42 324	30 529
Electrical switches	22 152	29 895	28 873
Pressure gauges	32 636	42 610	23 958
Mach for soil prep	13 155	35 171	73 877
Ceramics	13 951	31 010	23 611
Parts for tool holders	7 306	10 110	23 213
Tractors, wheel type, parts	27 544	38 636	22 005
Digital machines	20 659	22 361	21 840
Printing machines	8 416	7 583	20 708
Film, not motion picture	22 419	32 082	20 632
Tractors wheel type, agr use	14 058	30 589	20 085
Non-piston-type engines	3 513	10 657	19 515
Mixtures of petro hydrocarbons	14 580	23 228	19 468
Parts, for locomotives	25 750	22 980	19 123
General merchandise <\$500	29 567	36 005	18 806
Total, all items exported to Republic of SA	2 452 543	2 900 600	2 359 891

Source: Compiled from official statistics of the US Department of Commerce.

EXPORTS TO US

(\$000s customs value)

<u>Description</u>	1980	1981	1982
Metal coins	941 004	381 774	363 564
Platinum metals, unwrought	616 653	484 593	340 044
Natural precious and semiprecious	665 267	284 101	200 739
Uranium oxide	29 811	45 881	139 557
Ferromanganese >4% carbon	68 011	85 169	67 057
Uranium compounds,	1 252	38 981	60 659
Diamonds, >.5 carat	43 100	48 266	51 744
Iron/steel plates, not alloy	24 105	25 467	42 015
Angles, not alloy	29 634	40 820	38 141
Gold or silver bullion/ore	33 377	188 292	38 135
Industrial diamonds,	52 182	43 322	28 234
US goods returned	12 497	17 242	27 106
Diamonds, <=.5 carat	25 627	27 857	24 211
Iron or steel ingots, blooms	0	0	23 745
Wood pulp; rag pulp; and other	26 983	33 762	21 739
Ferrochromium, <=3% carbon	90 895	101 996	19 343
Shellfish other than clams,	23 592	24 955	19 165
Unwrought nickel	21 725	24 169	18 950
Fluorspar	21 177	28 526	18 123
Welded pipes, >.375 inch	18 175	21 347	16 838
Plates and sheets of iron	18 873	15 709	16 374
Coal	16 948	19 877	15 568
Chrome ore	19 005	23 775	14 666
Sheets of iron and steel,	25 961	13 781	13 870
Total, all items imported from Republic of South Africa	3 309 700	2 435 797	1 959 778

Source: Compiled from official statistics of the US Department of Commerce.