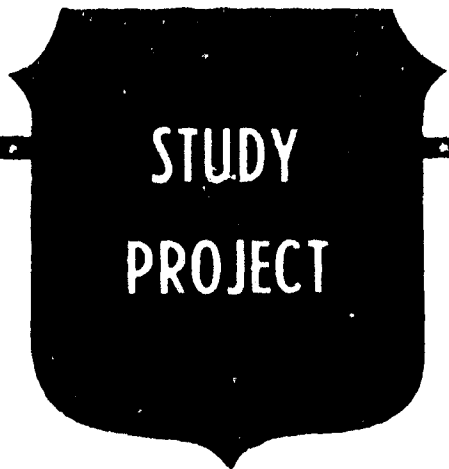




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SOUTH AFRICA:  
MINERALS, SANCTIONS AND FOREIGN POLICY

BY

Colonel Melvin J. Littig, IN  
Senior Service College Fellow  
Joint Center for Political and Economic Studies

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USAWC MILITARY STUDIES PROGRAM PAPER

SOUTH AFRICA: MINERALS, SANCTIONS AND FOREIGN POLICY

AN INDIVIDUAL STUDY PROJECT

by

Colonel Melvin J. Littig, IN  
Senior Military Fellow  
Joint Center for Political and Economic Studies

U.S. Army War College  
Carlisle Barracks, Pennsylvania 17013  
30 May 1990

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**ABSTRACT**

**AUTHOR:** Melvin J. Littig, COL, IN

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The United States is dependent on the Republic of South Africa for a variety of minerals. From the defense standpoint, the National Defense Stockpile in conjunction with identified emergency actions would permit the United States to prosecute a war for the anticipated three year emergency period. Disruption of minerals, short of a national emergency, would adversely effect American industry, but would not precipitate the forecast disaster unless the disruption singularly effected the United States. The only feasible scenario that would produce a unilateral disruption of South African minerals is a complete embargo imposed by Congress. Sanctions are given the majority of credit for the policy changes of the South African Government. However, the changes resulted from a combination of economic difficulties, independent of sanctions; natural disaster; and, most importantly, continued black defiance. Sanctions were a contributor. Hopes for a peaceful transition to a non-racial system in South Africa hinge on two extraordinary men; Nelson Mandela and Frederik W. de Klerk. In that regard the United States can do three things to aid the negotiations process. First, we must enhance and reinforce the preeminent positions of de Klerk and Mandela. Second, we should review current sanctions and devise a system to reward South Africa for each positive step. And finally, the United States should commit funds to support black education, land ownership and economic development.



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## **SOUTH AFRICA: MINERALS, SANCTIONS AND FOREIGN POLICY**

### **CHAPTER I**

#### **INTRODUCTION**

In October 1986 the United States Congress passed the Comprehensive Anti-Apartheid Act (CAAA), over a presidential veto, effectively ending President Reagan's policy of "constructive engagement" toward the Republic of South Africa. Much of the debate centered around America's need and reliance on strategic and critical minerals either produced in, or transported through South Africa. Already the most sanctioned nation in the world, the CAAA added the broadest package of sanctions imposed by any major economic power.<sup>1</sup> The sanctions imposed against South Africa were more stringent and punitive than those imposed against an openly hostile Japan just prior to the attack on Pearl Harbor.<sup>2</sup>

There have been many studies debating America's relative dependence on South Africa and the multitude of effects, positive and negative, caused by sanctions. Most papers regarding US mineral dependence fail to adequately differentiate between



national emergency situations and those involving commercial competition. Also, evaluations of the effectiveness of sanctions generally fail to differentiate between export, import and financial sanctions; or are so biased that they fail to acknowledge that sanctions can act counter to the desired policy objectives. This paper will detail: (1) the origins of apartheid, (2) sanctions imposed against South Africa, (3) US dependence on South African minerals, (4) US foreign policy toward South Africa, and (5) conclude with a summary of findings and recommendations of policy directions most likely to aid in resolving the apartheid issue without warfare, anarchy or economic disaster.

#### BACKGROUND

The Republic of South Africa is inhabited with 38.5 million people: 28.5 million blacks, 5.4 million whites, 3.5 million Coloured and 1.2 million Asians.<sup>3</sup> But that breakdown connotes a greater degree of homogeneity than actually exists. The blacks are made up of nine culturally distinct peoples. The whites are composed of those having British ancestry, Dutch/Afrikaner ancestry and those recent immigrants from the former Portuguese colonies. And finally, the Asians who are a mix of Indians and Malays and are further separated by the religions of Hindu and Islam. The diversity is reflected in the programming of the South African Broadcasting Corporation which uses eleven

languages on radio and six languages on television. That diversity has caused some observers to suggest that the term South Africa is more a destination than a national entity.

South Africa possesses the richest, most diversified economy in Africa and is exceeded in population only by Nigeria, Egypt and Ethiopia.<sup>4</sup> Of the eleven countries in Southern Africa (Angola, Botswana, LeSotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe and Namibia), South Africa possesses less than 1/5 of the land area and 1/3 of the population; but produces 3/4 of the region's domestic product.<sup>5</sup> She is self-sufficient in food. Her energy needs are met through hydroelectric power, coal and the transformation of coal into a liquid fuel.<sup>6</sup> Despite the existing oil embargo, South Africa is able to buy sufficient oil on the international market to meet her needs. Still a developing country, she possesses 45 per cent of all the automobiles in Africa, 37 per cent of the telephones, accounts for 66 per cent of all steel consumption, owns 50 per cent of all railroad rolling stock and has more permanent dwellings and paved roads than does any other African nation.<sup>7</sup> Seventy per cent of her population is literate as compared to the continent's next highest of 47 per cent in Kenya and 34 per cent in Nigeria.

South Africa also employs 1/3 of a million migrant workers from neighboring countries, largely in the mining industry.<sup>8</sup> It is important to note that the mining industry as a whole is reducing their use of migrant workers. The intent is to

stabilize the South African work force to improve efficiency and to help reduce internal unemployment which is reaching critical proportions. When illegal workers are added to that number, the total of migrant workers in South Africa reaches an estimated 1.5 million. Knowledgeable individuals estimate that each migrant worker supports six people outside South Africa. Greater reliance on domestic labor will dramatically affect some nine million people outside South African borders.<sup>9</sup> Cast in another light, roughly 2/3 of the people affected directly by South Africa's economic policies live outside her borders.

Despite twenty-seven years of a United Nations' embargo of military supplies, South Africa has the largest, most effective military in the region with a force of over 600,000 and a sizeable trained police force.<sup>10</sup> In 1963 when the arms embargo was initiated, South Africa imported virtually all military supplies. She is now largely self-sufficient and is the seventh or tenth largest exporter of arms in the world.<sup>11</sup> It is also likely that South Africa has a nuclear capability developed in conjunction with Israel.<sup>12</sup>

Through happenstance of geography and geology, South Africa is endowed with virtually all the world's most important minerals with the exception of oil, and that has been offset with substantial reserves of coal and natural gas recently discovered off the south western coast.<sup>13</sup> Robert D. Wilson, past Executive Director of the National Critical Minerals Council stated, "South Africa possesses the greatest concentration of strategic

and critical minerals existing in the western world."<sup>14</sup> Roughly 32 per cent of the of the free world's requirement of twenty-five essential minerals comes from South Africa.<sup>15</sup> They have the largest known reserves of chromium, manganese, vanadium and the platinum group metals.<sup>16</sup> The burden of possessing that range and supply of critical natural resources is that South Africa is greatly dependent on the revenue arising from their sale and export. In fact, they are proportionally more dependent on those revenues than any other major trading nation in the world, making them highly vulnerable to unified international action or worldwide depression.<sup>17</sup>

Another significant coincidence of geography is that South Africa is located on the southern tip of Africa where the Atlantic and Indian Oceans meet. Eighty per cent of the North Atlantic Treaty Organization's member nations' oil moves around the Cape of Good Hope as well as 70 per cent of their mineral needs.<sup>18</sup> Twenty-five thousand ships per year sail that route. Given the vulnerability of the alternative route, the Suez Canal, and the fact oil-carrying supertankers cannot transit the canal, South Africa offers an ideal place from which to command vital sea lanes should a power wish to disrupt Europe economically or militarily.<sup>19</sup> See map of Africa on page 128.

Despite sanctions and the inflammatory rhetoric of other African nations, South Africa maintains a reciprocal flow of goods with forty-seven African states.<sup>20</sup> South Africa also shares many common characteristics of the other African nations.

She is experiencing undesirable population growth; increasing urbanization and complex ethnic problems. South Africa is constantly criticized for the oppression of her black citizens, but it must be noted that twenty-eight African states are ruled under one party systems and another eleven are ruled by military dictatorships. Both generally exclude or disenfranchise major population groups.<sup>21</sup> George B. N. Ayittey, a black Ghanaian who is now a resident scholar at the Heritage Foundation, points out that there are four of forty-five countries in Africa where you can vote. As a Ghanaian he has never voted. Ayittey laments, "We seem blind to oppression unless it wears a white face."<sup>22</sup>

Save Botswana and to a lesser degree Zimbabwe, the economies of African nations are disasters of mismanagement, corruption and foreign debt. South Africa, while regarded an economic success, has an economy that is declining at an ever increasing pace. South Africa could be the economic engine that would benefit all of Southern Africa, and represents the best opportunity for improving human conditions throughout the region. To be that economic engine South Africa must transition from apartheid with her economy intact. This is acknowledged by leaders of the African National Congress to include Joe Slovo, head of the South African Communist Party.

That transition will not be easy. In 1981 the Rockefeller-supported Study Commission on US Policy Toward Southern Africa stated:

The choice is not between slow peaceful change and quick violent change but between a slow, uneven,

sporadically violent evolutionary process and a slow but much more violent descent into civil war.<sup>23</sup>

Americans, both black and white, tend to think that the black South African's quest for freedom and the US Civil Rights Movement are similar; they are not. The conflict over civil rights in the United States took place within a constitutional framework guaranteeing individual rights. That framework is totally absent in South Africa. Extending civil rights to black Americans was a matter of enforcing and guaranteeing rights already extended in the Constitution. The most difficult problem and striking difference is that in the United States the effort did not involve a significant loss of power by a previously dominant group. The struggle in South Africa will inevitably result in loss of power for the white minority.<sup>24</sup> One must also remember that despite the guarantees of constitutional rights after the Civil War and the efforts of the 1960s, to include the Voting Rights Act; black Americans are still not fully empowered and must often go to court to claim their guaranteed civil rights.

Complicating the problem of apartheid is that no historical analogy even approximates the situation in South Africa. For the majority of Africa, white rule lasted from The Congress of Berlin in 1885 until 1960, when black nations achieved freedom from their colonial masters; seventy-five years. Whites have occupied and settled South Africa for over 300 years and few have a parent country to which to return.

On the positive side South Africa is a modern, semi-

industrialized nation with a greater number of urbanized, educated, professional blacks than any of the other sub-Saharan countries. In 1988 there were over 100,000 black South Africans enrolled in universities and technical colleges.<sup>25</sup> Additionally, blacks make up 40 plus per cent of the South African professional work force and in 1986 there were over 100 functioning black trade unions.<sup>26</sup> This pool of talent far exceeds what other African nations had at independence and is one reason for hope that a peaceful, positive transition can be achieved.

Religion is also more widespread than in any other African nation with 90 per cent of all whites and 75 per cent of blacks being church going Christians. Religion could be one of those factors that will bridge the chasm of fear, hatred and violence that now exists.<sup>27</sup>

It is against this backdrop that this paper seeks: (1) to review the origins of apartheid; (2) to examine America's dependence on South African minerals, both militarily and commercially; (3) to subjectively analyze the effects of sanctions; (4) to review our foreign policy; and finally (5) to make recommendations that will advance the process of peace and negotiations for a unified, non-racial South Africa. A critical element of that settlement is that South Africa emerge from the process economically viable, and not crippled by anarchy or the socialist models that have proved so disastrous throughout Africa and Eastern Europe.

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## **CHAPTER II**

### **SOUTH AFRICA AND APARTHEID**

The development of apartheid was not conceived by the Nationalist Party in 1948. Its roots began with the arrival of the first white settlers, who like European travelers of the 17th and 18th Century, had no doubt as to their inherent superiority and right to rule indigenous peoples. The settlers toiled and sacrificed in building their homes and lives in South Africa. Their struggle involved more than surviving in the wilderness. They were simultaneously struggling to maintain their freedom, first from the Dutch East India Company, and then from British colonial interests that wished to dominate them. That struggle involved two major migrations, numerous native wars and finally a devastating war with Great Britain. Apartheid, devoid of its current statutory basis, existed from the outset and evolved throughout South Africa's violent and chaotic history.

#### **NATIVES AND SETTLERS**

The area known as the Republic of South Africa, which is slightly less than twice the size of the State of Texas, has been

inhabited since the very earliest of times. The first inhabitant was Australopithecus; and carbon 14 dated fossils found in the Sterkfontaine Caves, located near Johannesburg, indicate that he occupied the area some 1.8 million years ago. The next reliable date is about 50,000 years ago when Homo Sapiens inhabited similar caves in the Eastern Transvaal. The first Bantu-speaking black Africans, possessing the skills of an iron-age culture, arrived in the Transvaal in the 5th Century A.D.<sup>1</sup> It was the descendants of these Bantu that the far ranging Boers would meet on the Fish River in 1770, almost seventy years after their arrival.

There was also another smaller, lighter-skinned group of peoples in the most southern portion of South Africa, known as the Khoikhoi and the San, jointly referred to as the Khoisan; along with a cattle herding group known as the Hottentot.<sup>2</sup> In April 1652 it was the Hottentots that the first white settlers, under Jan van Riebeeck, encountered when they arrived at the Cape of Good Hope.

The Cape had been visited in turn by the Portuguese, Spanish and Dutch since the 1400s. Those first Dutch settlers were established on the southernmost tip of Africa for the sole purpose of providing a revictualing station for ships of the Dutch East India Company plying the trade route to the Indies.<sup>3</sup> There was no intent to colonize and to claim what was considered a worthless wilderness.

That intent was voided not by the Company, but by the

demands of the inhabitants who recognized the great potential of the land. In 1657 the East India Company reluctantly granted land to the first "free burghers" (free farmers) in an effort to boost production of necessary food stuffs for their ships. That was the beginning of Africa's first permanent white settlement. In 1688 the settlers were joined by French Huguenots fleeing religious persecution. The community grew and prospered and by 1750 this community of sturdy, independent Boers occupied an area six times larger than the Netherlands. While still very decidedly Dutch in character, they were carving out a permanent home and developing a separate identity much as the settlers had done in America.<sup>4</sup>

In the 1750s the Hottentots provided the major contact between the whites and the indigenous peoples. Most of the Hottentots succumbed to small pox and other diseases brought by the settlers. Those remaining were gradually incorporated with the white community to form a group known as the "Griquas" or in combination with Malaysians, Cape Coloureds. The first substantial contact with Bantu people was made in 1770 when Boer ranchers met the Xhosa tribes along the Great Fish River some 600 miles northeast of Cape Town. The Great Fish River was to remain the disputed frontier between the Bantu and the settlers through nine wars over the next 100 years.<sup>5</sup>

Control of sea routes became a key issue in Great Britain's quest for global dominance. In 1795 Great Britain annexed the Cape to prevent the critical sea passage to India and the spice

islands from falling into French hands. The colony was returned to Holland in 1803 only to be reoccupied by the British three years later. Great Britain was formally ceded the territory in 1814 under provisions of the Congress of Vienna. As you would expect, Great Britain's attempt to rule and administer the Boers in the colony was met with great resistance. First because they were considered foreign interlopers and second because the British accorded legal rights to free blacks and Coloureds. In 1833, responding to strong abolitionist pressures at home, the British abolished slavery altogether.<sup>6</sup>

The Boers, unaccustomed to control by the Dutch East India Company, demonstrated their contempt for British control by migrating to the interior of Natal from 1836 to 1843. This migration involving 12,000 Boers and known as the Great Trek, did much to establish the self-image of the Boer as a people of independence and self-reliance, reminiscent of the American frontiersmen. The Voortrekkers were not to be left in peace in Natal either by the Zulus or by the British, who annexed Natal in 1843.

The Voortrekker's continued to resist control and moved deeper into the interior establishing two republics; the Transvaal and the Orange Free State. Independence and freedom from the hated British was not to be. After a lengthy conflict, Great Britain finally gained control over the two republics during the Anglo-Boer War from 1899 to 1902. In 1910 the Union of South Africa was established with the joining of the four

British administered colonies (The Cape Colony, Natal, The Transvaal and The Orange Free State). After a century of British suzerainty, South Africa finally became a republic in 1961.<sup>7</sup> A map depicting the major immigrant migrations relating to South Africa is located on page 129.

### EVOLUTION OF APARTHEID

Apartheid, while not formalized as a policy until 1948, was in effect as a part of the custom and tradition from the initial arrival of whites on the Cape.<sup>8</sup> In 1910 a compromise government was formed between the British and the Boers with the British appointing the first Prime Minister. Almost immediately the National Party was established to consolidate resistance to the British, who demanded South African support during World War I. Shortly thereafter, a group known as the Afrikaaner Broederbond was established based on lore of the Great Trek and resistance to British rule. That mystic would evolve and become the basis for "separateness" or apartheid. The Broederbond still functions today on the political far right arguing for apartheid; or partition and the formation of a white state.<sup>9</sup>

It is doubtful that those Boers who formed the first government could have ever imagined the complex laws that would be enacted to maintain white minority rule, which they regarded as a god-given right. The seeds of apartheid were apparent at the very beginning as the first South African Constitution of

1910 prohibited black representation in parliament. Shortly thereafter in 1913, the systematic exclusion process began when the first Native Land Act was passed. It was followed in 1926 by the Colour Bar Act which reserved skilled mine jobs for whites. Interestingly, it was not until 1936 that blacks were removed from the common voter's roll in the Cape Province.<sup>10</sup>

Apartheid was formally adopted as a policy in 1948 when the National Party, headed by Dr. D.F. Malan, came to power. The National Party was elected exclusively on a platform to preserve white dominance. Under Prime Minister Jan C. Smuts the fundamental apartheid statute, the Population Registration Act of 1950, was passed followed in that same year by the Group Areas Act.<sup>11</sup> That series of laws became known as "petty apartheid" and provided for rigid segregation in housing, education and social activities.

"Grand apartheid" was conceived under Prime Minister Hendrik F. Verwoerd and developed a system to place each of the legally designated black groups in their own separate independent homelands. In short, grand apartheid denied 75 per cent of the population of South Africa residential rights in almost 90 per cent of the country.<sup>12</sup> It is the injustice and poverty of that system that induced the violence in the independent homelands of Ciskei, Transkei, Bophuthatswana and Venda during March of 1990. Violence that will continue until the system of independent homelands is abolished and the people and the land are reincorporated into South Africa. A map of the designated

homelands is located on page 130.

The attitude of some whites began changing in the early 1970s as it became increasingly obvious that apartheid was hindering economic growth because the system denied industry a stable, skilled black labor force; and there were simply not enough whites to fill the positions. Professor Willie Esterhuyse of the University of Stellenbosch feels that the economic dysfunction of apartheid alone makes the entire system untenable. He feels that the need for black managers and entrepreneurs will cause the system to be disassembled regardless of external forces.<sup>13</sup>

Those whites that in the early 1970s felt relatively safe and secure were also forced to reevaluate their situation when Portuguese control of Angola and Mozambique collapsed following the April 1974 coup d'etat in Lisbon. South Africa no longer had buffers. There were hostile, black African states on her borders committed to ending apartheid. Security within South Africa was further shaken by the suddenness and violence of the Soweto Riots of 1976 and 1977 that resulted in the deaths of almost 600 blacks. Additionally, many young blacks refused to be intimidated as they had after Sharpeville in 1960. Instead they went into exile and began training for guerrilla warfare to be carried back to South Africa. Additionally, for the first time many whites realized that they could never win the support of most black leaders under the system of apartheid.<sup>14</sup>

With that realization whites took some small initial steps



to minimize some of the most contentious issues. Opponents of apartheid belittled the liberalization of social and economic statutes, but astute observers realized that the changes signaled that apartheid was indeed failing. In 1979 the Parliament passed the Industrial Conciliation Amendment Act that deracialized South African labor law, recognized black trade unions and abolished job reservations, except in mines.<sup>15</sup> In 1981 the Liquor Act Amendment made it possible for all races to be served alcoholic beverages in hotels and restaurants. The Black Local Authorities Act provided for limited self-government in black townships. Mixed-race, political parties were allowed under the Constitutional Affairs Amendment Act of 1985. The Group Areas Amendment Act of 1985 permitted blacks and Coloureds to open businesses in the central business districts. Also in 1985, the 1949 law that prohibited mixed marriages and the Immorality Amendments Act of 1975 were repealed. The reform continued in 1986 with the Restoration of South African Citizenship Bill, which applied to 3.5 million blacks relocated to homelands between 1968 and 1983. 1986 also saw the end of one of the most onerous of the apartheid laws when the blacks were no longer required to carry passbooks.<sup>16</sup>

The liberalization under P. W. Botha, while far short of the changes that must take place, represents considerable movement in the right direction. The progress appeared to be very closely linked with economics.<sup>17</sup> The changes by the minority white government were not engineered because apartheid is immoral, but

because the changes were required for South African whites to prosper and progress. To most South African whites the changes seemed profound and rapid. To blacks the changes were limited, did not address the core issue of equality under the law, or simply had come too late. These changes were carried out against the backdrop of the deaths of 2,500 blacks in the wake of the 1983 Sharpeville riots and the crackdown of June 1986 that established the State of Emergency that is still in effect today.

That change, perceived either by blacks or whites, must be balanced by the fact that the pillars of apartheid; The Native Land Act, which reserves almost 90 per cent of the land for whites; The Population Registration Act, which segregates by race; and finally The Promotion of Bantu Self-Government Act, which created homelands, are still in effect and enforced when convenient to the government or at the whim of petty local officials.<sup>18</sup>

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## CHAPTER III

### SANCTIONS

South Africa is the most sanctioned nation in the world. Those sanctions have in many ways damaged her economy and caused economic stagnation, but in some ways have been helpful. The most effective and damaging of those sanctions have been those that effect investment and capitalization. Those financial sanctions deny the servicing of debts by the government, prevent companies and industries from entering into new investments or change the tax structure to limit or reduce profits. In order to appreciate the debate concerning sanctions and how that debate influenced US policy toward South Africa, it is important to understand sanctions in general and those that have been imposed against South Africa culminating with America's Comprehensive Anti-Apartheid Act of 1986 (CAAA).

#### HISTORY AND NATURE OF SANCTIONS

Sanctions probably predate the ancient Greeks. At any rate there is evidence that Pericles imposed economic sanctions against the Megarians in 432 B.C. by barring them from all

harbors of the Athenian Empire.<sup>1</sup> However, sanctions did not demand much attention until after World War I, when it was felt that economic sanctions could be substituted for armed action.<sup>2</sup> The League of Nations envisioned that all disputes would be settled by arbitration or the imposition of sanctions.

There are three types of economic sanctions: (1) the limitation of exports, (2) the restriction of imports and (3) the of impeding finance. All of which are designed to produce the loss of markets, to deny critical imports, to lower prices for exports and to raise prices for imports. Import controls are used less often because target countries usually find alternative suppliers or they arrange triangular purchase agreements to avoid controls.

Gary Hufbauer and Jeffrey Schott have done extensive studies for the Institute for International Economics concerning 103 uses of sanctions beginning with the 1914 blockade of Germany. They have developed a system to quantify and evaluate success and the attendant variables. They determined that sanctions have been effective roughly 37 per cent of the time.<sup>3</sup> Their analysis identified eight dominant variables. They are: (1) policy result, (2) sanctions contribution, (3) international cooperation, (4) length of sanctions, (5) economic health of the target country, (6) political stability of the target country, (7) estimated cost and (8) the target country's size and trade links.<sup>4</sup> The study determined that the intended objective was the single most important factor in determining success. Of the

eleven cases studied that required major policy changes by the target country, only one was successful. Note the overall results of the study in Table 1.

**TABLE 1**  
**SUCCESS BY TYPE OF POLICY GOAL**

| <u>Policy Goal</u>                   | <u>Success</u> | <u>Failure</u> | <u>Success(%)</u> |
|--------------------------------------|----------------|----------------|-------------------|
| Modest Policy Changes                | 15             | 16             | 48                |
| Destabilization                      | 9              | 9              | 50                |
| Disruption of Military<br>Adventures | 6              | 9              | 40                |
| Military Impairment                  | 2              | 6              | 25                |
| Major Policy Changes                 | 1              | 10             | 9                 |
| <br>Totals                           | <br>33         | <br>50         | <br>40            |

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In a private talk with Jeffrey Schott at the Institute in Washington, D.C., Mr. Schott confirmed that the changes to rid South Africa of apartheid are indeed and unequivocally major policy changes, thereby lessening the chances that sanctions alone will be successful.

Hufbauer's and Schott's study also revealed that financial sanctions were used in 76 per cent of the successful cases and export/import sanctions were present in only 42 per cent of the successful cases.<sup>6</sup> The South African case and other supporting cases indicate that financial sanctions have indeed been more debilitating than either export or import controls. They also discovered that sanctions are usually successful if the cost to the target country exceeds 1 per cent of their gross national product. As you would expect, the higher the cost to the

imposing country the less likely the objective will be achieved. Additionally, the more countries required to implement the sanction, the less likely it is to succeed; even though a larger number of countries increases the moral weight, more fully isolates the target country and aids in preventing foreign backlash. Not surprisingly, military action used in concert with sanctions significantly improves the chance for success.<sup>7</sup>

The increased use of sanctions in each decade of the Twentieth Century is the result of ever increasing economic ties between nations; and the huge costs and risks of using the military option. Hufbauer and Schott explained the increasing appeal of sanctions in that they are "...a satisfying theatrical display, yet avoid the high cost of war."<sup>8</sup> It provides leaders with the ability to take action on a wide variety of occasions and avoid bloodshed. Sanctions often satisfy the public cry for action in highly emotional events.

The United States is extremely fond of using sanctions and of the 103 cases since 1914, the US has been the sender or implementor in 68 incidents. They are followed at some distance by Great Britain with 21 incidents and the Soviet Union with 10. Most often the US has withheld economic and military assistance to developing countries, along with the freezing of financial assets. In short, a dominant economic power bullying a developing country. In contrast, America's recent use of sanctions, such as the grain embargo and pipeline sanction against the Soviet Union, were notable and dismal failures that

had virtually no hope of success. Again appealing to the desire to take some action as a demonstration of displeasure.<sup>9</sup>

While the use of sanctions has increasingly been the weapon of choice, it is important to note that between 1848 and 1972 US embargoes achieved a 77 per cent success rating, but have only been successful 15 per cent of the time since 1973. There are three basic reasons for that change. First is the relative decline in US dominance of the world economy and the development of other nations. Second, our objectives of settling disputes relating to colonial issues and of destabilizing undesirable governments were easier to accomplish than the goal of improving or protecting individual human rights. Finally, witness Eastern Europe, other governments now feel that the greatest threat to their rule is from internal dissent as opposed to external action.<sup>10</sup> The US continues to use sanctions more and more often and the objectives are being achieved at an ever decreasing rate.

#### INTERNATIONAL SANCTIONS

In the long history of sanctions proposed and enacted against South Africa, a dominant trend emerges. Sanctions are most often advocated by the Third World and the Scandinavian Countries; and opposed directly and indirectly by the western powers that have the most substantial connections with South Africa.



India was the first nation in 1946 to propose sanctions against South Africa, applying Article 41 of the United Nations Charter which authorizes sanctions in the event of international aggression or threat to international peace.<sup>11</sup> Given America's preeminence in the world and the increasing threat from an expansionist and aggressive Soviet Union, no action was taken against an ally who was so ardently anti-communist.

Immediately following the establishment of the Republic of South Africa in 1961 many of the newly independent nations of Africa again called on the United Nations to take action. On November 6, 1962 the U.N. General Assembly approved Resolution 1761 (non-binding), which called for all member nations to: (1) break diplomatic relations, (2) close ports to South Africa, (3) suspend trade links and, (4) withdraw aircraft landing rights.<sup>12</sup> Few of the resolution's sanctions were implemented by any nations. The next effort was under the auspices of the Organization of Africa States which called for total sanction of every aspect of intercourse. As previously mentioned, forty-seven of the sixty-three countries in Africa still maintain trade links with South Africa.

Further attempts at substantive action resulted in the formation of a special committee and the Security Council approving Resolution 181 in August of 1963 for the voluntary embargo of arms shipments. That was later expanded in Resolution 182 to include equipment and material for the production of arms.

The arms embargo was reaffirmed by the U.N. Security Council Resolution 282 in 1970 and again by Resolution 418 in 1977. Resolution 418 was unique because it was the first instance that a sanction covered the manufacture and development of nuclear materials.<sup>13</sup>

In the aftermath of the 1976 Soweto riots and the brutal response by the South African Government, the U.N. General Assembly followed the 1972 lead of the Organization of Petroleum Exporting Nations and approved a mandatory oil embargo. France, the United Kingdom and the United States abstained from the vote, in effect making the action mute.

In 1977 the Commonwealth Nations excluded South African athletes from international competition under the Gleneagles Agreement.<sup>14</sup> The psychological impact of that act affected the South Africans perhaps more than any other single act. I was in South Africa in February 1990 when the "rebel cricket" tour was travelling and playing the South African Spring Boks. Judging by the reactions and comments of many South Africans, it was obvious that preventing their athletes from competition weighed more heavily on the psyche of the individual than did any of the other sanctions. South Africans felt that once sports were desegregated, and they are; South Africa would be permitted to compete internationally. They have not been; and they deeply resent it. Their newspapers are constantly filled with expert's estimates of how dominant individual South African athletes would be if they were only allowed to compete. There is a faint ring

of the German pronouncements prior to the 1933 Olympics.

Sweden focused attention on economic sanctions when in 1979 she prohibited the formation of new companies or new investment in existing companies in both South Africa and Namibia. Sweden's action was the only major action taken by the international community before 1980. All attempts to expel South Africa from the United Nations have been blocked by the United Kingdom and the United States, often with the support of France.

Through the early 1980s, Africa in general and South Africa in specific suffered from neglect as most western powers turned their full attention toward Eastern Europe and problems in the Middle East. The violence following the 1983 Sharpeville riots resulting in the death of 2,500 blacks garnered only brief note. The real event that finally captured worldwide attention was the selection of Bishop Desmond Tutu for the coveted Nobel Peace Prize. Through his new found notoriety he forged international support for sanctions and encouraged disinvestment.<sup>15</sup> The public relations apparatus of South Africa could not contend with Tutu's notoriety and personal appeal.

A month after Tutu's selection Senator Edward Kennedy made a trip to South Africa and assumed he would be welcomed as had Robert Kennedy in the early 1960s. Instead he was reviled by blacks as a representative of the United States who they rightfully saw as not so indirectly supporting apartheid. To many, that visit demonstrated how little credibility existed in the Reagan policy of "constructive engagement" and it gave a

boost to those Americans favoring sanctions.<sup>16</sup>

The years 1985 and 1986 were the years in which international, comprehensive sanctions won out in the apartheid debate. The European Economic Community (EEC) finally took action at the insistence of Belgium, Denmark, France, Ireland and the Netherlands. The sanction, titled the Brussels Communique, called on EEC nations to recall their military attaches, embargo oil, withhold sensitive technology and cease nuclear cooperation. Finally on September 28, 1985 Great Britain acquiesced in her resistance and the communique was dispatched.<sup>17</sup> The EEC reaffirmed the need for collective action at The Hague in June 1986 and extended the ban to include steel and iron, the importation of Krugerrands and required the termination of investments. Italy, Portugal and West Germany; however, successfully opposed a plan that would have prohibited the import of South African coal.<sup>18</sup>

Actions involving the British Commonwealth were even more controversial and divisive, and almost resulted in the breakup of the Commonwealth. The Nassau Accord largely mirrored the sanctions imposed by the EEC during the previous month. Disagreement became most pronounced when Australia, the Bahamas, Canada, India, Zambia and Zimbabwe proposed even stronger sanctions in light of a very negative report by the Eminent Persons Group. In August 1986 the Marlborough House Agreement was concluded with Great Britain abstaining. The Agreement imposed nine new sanctions dealing with investment, mineral

import, government contracts and taxation. Prime Minister Thatcher agreed only to a voluntary ban on new investment, tourism and the promotion of travel.<sup>19</sup>

The Nordic countries acted in concert with the EEC and imposed sanctions on a nation by nation basis. The primary difference was that the Foreign Ministers Meeting in October 1985 expressly prohibited: (1) investment in South Africa, (2) procurement from the Government of South Africa, (3) trade in military hardware, (4) the purchase of Krugerrands and, (5) the sale of computer equipment. There was also an important provision to increase humanitarian aid to the victims of apartheid and the "Frontline States". Sweden imposed a total trade embargo which was largely a gesture given their level of trade.<sup>20</sup>

#### UNITED STATES SANCTIONS

Action by the United States fell in two distinct categories, federal and municipal. The category that gained the majority of attention was sanctions imposed by the United States Congress. The other was sanctions imposed by state and local governments. The action of local government was perhaps the most telling indication that US relations with South Africa had transitioned from a foreign policy issue to one of domestic policy.

Madison, Wisconsin took the first local action in 1976 when it approved a selective contracting law which forbade purchasing

agreements with any company who did business in South Africa. Similar actions were taken by East Lansing, Michigan in 1977 and Berkeley, California in 1979. In 1980 the entire State of Michigan followed suit. The trend among states continued with seven states enacting similar laws in 1984, eighteen in 1985 and thirty in 1986. The pace then slowed due to Congressional action and the primacy of Federal Law.<sup>21</sup>

Action during the Reagan Administration commenced with an attempt to forestall Congressional action. President Reagan issued an Executive Order in the fall of 1985 which: (1) established an advisory commission to make recommendations concerning South Africa, (2) banned the importation of Krugerrands, (3) banned loans to the South African Government and all parastatal organizations, (4) prohibited the sale of computer and data processing technology and, (5) prohibited the transfer of nuclear materials and technology.

Congress would not be denied. They pressed forward and passed the Comprehensive Anti-Apartheid Act (CAAA). When it was vetoed by the President, they overwhelmingly overrode the veto. The Act, Public Law 99-440, 22 United States Code, 5001 et seq, was "...the most severe sanction yet adopted against the government of South Africa."<sup>22</sup> While two Scandinavian countries have total trade bans against South Africa, their trade volume is so small as to be inconsequential. Their action was more for demonstrative purposes than for real economic impact.<sup>23</sup>

The Act prohibits the following interaction between the

United States and South Africa.

- U.S. Imports
1. Krugerrands
  2. Uranium
  3. Iron and Steel
  4. Coal
  5. Agricultural Products
  6. Textiles
  7. Military Activities
  8. Products  
(Except certified strategic minerals)

- U.S. Exports
1. Oil
  2. Items from Munitions List
  3. Nuclear Materials and Technology
  4. Computers for Apartheid Enforcement

- Financial
1. New Loans
  2. New Investment  
(Except black enterprises)

- Other Actions
1. All Air Transport
  2. Treaties Preventing Double Taxation
  3. Promotion of Tourism
  4. U.S. Government Funds to Subsidize Trade or Tourism
  5. U.S. Security Cooperation  
(Except intelligence gathering)

The President has the authority to modify or suspend sanctions if four of the five following conditions are met.

- Conditions
1. Political Prisoners Are Released
  2. State of Emergency Repealed
  3. Unbanning of Political Parties and Free Expression
  4. Repeal Group Areas and Population Control Acts
  5. Enter Negotiations with Representative Black Leaders

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Of particular note was the realization by Congress, and even the most strident pro-sanctions groups, that certain strategic minerals should be exempt from sanctions. In Section 303 of the Act the President is required to certify those specific minerals necessary for the economy and the defense of the United States

and that they are largely unavailable from other reliable and secure suppliers. On February 11, 1987, the Secretary of State certified ten minerals and published them in the Federal Register. They were:

1. Andalusite
2. Antimony
3. Chrysotile Asbestos
4. Chromium
5. Cobalt
6. Industrial Diamonds
7. Manganese
8. Platinum Group Metals
9. Rutile
10. Vanadium

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That list was further updated on December 22, 1989, when the Acting Secretary of State, Lawrence S. Eagleburger, reaffirmed the same list except for the inclusion of pyrophyllite and zircon and the deletion of chrysotile asbestos and industrial diamonds. A detailed discussion concerning occurrence, production and use of the ten minerals will be provided in Chapter IV.

#### EFFECTS OF SANCTIONS

The Government of South Africa and their apologists have spent a good deal of time and money advancing the argument in the media that sanctions against South Africa are or will be ineffective because of the various gambits devised to avoid the effects. They also maintain that the individuals who will ultimately bear the burden are blacks. Charles Becker who is the Director of the Economic Institute at Boulder, Colorado revealed,



in the most detailed study to date, that the burden of sanctions has affected all segments of the population uniformly.<sup>26</sup>

South Africans are cynical about America's real moral commitment and motive. They note that US sanctions against agricultural products, textiles, iron and steel and coal would be termed "protectionist" if not for apartheid confusing the issue. The CAAA also conveniently provides an exemption for strategic and critical metals necessary for our defense and industrial competition.

Still other apologists argue in good faith that sanctions, rather than leading to positive change, reinforce the Afrikaner "laager mentality" and add strength to the ranks of the extremist whites. They also point out that the South Africans have been America's ally in two wars and is America's only reliable partner in fighting communism in Southern Africa. And a few individuals have even suggested that South Africa might retaliate with a counter embargo of materials the US requires.

All the arguments presented have a degree of truth in them, save the counter embargo position. The unmistakable fact is that sanctions in concert with internal black dissent have forced the South Africans to reexamine their position in the world and sped the process of political reform. The Honorable Herman J. Cohen, Assistant Secretary of State for African Affairs confirmed that position when he testified to the Senate Foreign Relations Subcommittee on Africa that:

Sanctions have played a major role in stimulating new thinking within the white power structure. It is now

increasingly clear to that government the well being of the white majority cannot be sustained without a negotiated settlement that results in political equality for all South Africans.<sup>27</sup>

That statement in October 1989 represents a significant change in the Administration's position from that pursued during the Reagan Presidency.

South Africa by their own admission does have considerable economic problems, all of which were not precipitated by sanctions. In the early 1980s a number of factors came together to weaken the South African economy. First were the incredibly high gold prices that provided South Africa with up to sixty per cent of her foreign exchange.<sup>28</sup> Those inflated gold prices provided enormous revenues that permitted the government to apply unsound fiscal policy. When the gold prices fell below \$400 an ounce there were insufficient revenues to pay foreign creditors. Additionally, in 1982 and 1983 South Africa experienced the worst drought since the 1930s. The war in Namibia and South Africa's overall border security grew increasingly expensive, both in terms of money and men, during the early 1980s. Then from 1984 through 1986 South Africa experienced the most severe recession since World War II. These factors were compounded by an increasingly hostile international community, constantly invoking more sanctions that grew ever more detrimental.<sup>29</sup>

South Africa's high quality products and materials, coupled with her reliability as a trading partner insured that foreign investment was generous and constant through the 1970s. Her average growth from 1950 through 1970 was five per cent in real

terms, which was held down notably because of the lack of skilled workers, resulting from a white constructed black education system that is notably inferior. In the 1970s with a worldwide recession South Africa still maintained an economic growth rate of just under five per cent. With the disasters of the early 1980s she has been unable to exceed a growth rate of three per cent. Given the demands for the repayment of loans initiated first by Chase Manhattan Bank in 1985 and a general world-wide reluctance to provide development capital, it is unlikely that much more than a three per cent growth rate could be achieved under the best of other circumstances.<sup>30</sup>

Lack of economic growth exacerbated by sanctions takes on an even larger significance when you consider the population explosion in South Africa. The South African government estimated that the population would reach forty million in the year 2000. It is already thirty-eight million and John Marcum, a highly regarded economist, projects a Malthusian nightmare with the South African population now reaching eighty million souls by the year 2020. Marcum stressed in a presentation to the Aspen Institute in October 1989, that South Africa must focus all of her efforts on internal development and cease wasting resources on racial coercion and military adventures.<sup>31</sup>

A reflection of the growing problem is clearly revealed when you examine the growing unemployment in South Africa since 1980. The Coloureds rate has tripled; the Asian unemployment has increased ten fold; the whites' unemployment is up three and

one-half times; and finally the black unemployment has doubled. There is good reason to believe that the blacks and the Coloureds are substantially undercounted.<sup>32</sup>

In an attempt to lessen some of the burden, South Africa has become very skillful in the avoidance of sanctions. She had a decade to watch and assist Southern Rhodesia (Zimbabwe) in her efforts. The gradual and uneven application of sanctions have provided South Africa much more time to devise even more imaginative methods. A highly placed source in the South African Embassy confided that from 1987 to 1989 the number of South African import/export firms had more than doubled from 2200 to almost 5000.<sup>33</sup>

Through these companies and in conjunction with a worldwide network of transportation firms and travel agencies, South Africa can buy, transport and exchange goods without purchasers being able to determine, either the country of origin or destination.<sup>34</sup> Such circuitous trading systems are invariably achieved at high added costs. All countries of Western Europe have figured to some degree in this clandestine trade.

Some goods are also shipped through or merely labeled Swaziland or Lesotho and exported directly. Both Swaziland and Lesotho are totally landlocked and are virtually 100 percent dependent on South African transport.<sup>35</sup> Buyers looking for low prices do not ask prying questions about points of origin.

Perhaps the most ironic fact is that according to a study released by the Investor Responsibility Research Center (IRRC),

South Africa's cost of evasive action to reduce the impact of sanctions has resulted in her economy being 20 to 35 per cent smaller than it would have been without restrictions. Autarkic moves prevented South Africa from developing those economic sectors in which it has the greatest competitive advantage and to subsidized industries it perceived as necessary to minimized the impact of sanctions. The IRRC estimated that evasion has cost the South African economy between \$15 and \$27 billion.<sup>36</sup>

Traditionally Great Britain has been the primary trading partner with South Africa. The General Accounting Office (GAO) reported in 1988 that the combination of Great Britain, Japan, the United States and West Germany account for 61 per cent of South Africa's exports and 70 per cent of her imports.<sup>37</sup> During the last twenty years, the greatest trade expansion for South Africa has occurred with Japan and West Germany. The reasons are rather straight forward. Japan and West Germany are major manufacturing nations who need the minerals South Africa mines and processes. A graph depicting that reliance is located on page 133. South Africa by every source is a highly reliable supplier of uniformly high quality materials at competitive prices. She also represents an expanding market for the goods produced by Japan and West Germany and has the transportation network to move goods to the Frontline States.<sup>38</sup>

German and Japanese presence was highly visible throughout my visit to South Africa in February 1990. There is good cause to believe that as American businesses retreat from South Africa

in response to sanctions and stockholder pressure, they are eagerly replaced by the Japanese and the Germans. In 1987 Japanese exports to South Africa increased by 18 per cent making it South Africa's number one trading partner. Also in that year, German banks extended new credits to South African parastatals. The linkage and direction are undeniable.<sup>39</sup>

South Africa has quietly courted another interesting relation in thwarting sanctions; that of Israel. A significant portion of South African goods are shipped to Israel, reprocessed or repackaged and sent to the United States and the European Economic Community duty free.<sup>40</sup> It appears that the technological and military cooperation is paid for in large part with uranium and its associated products.<sup>41</sup> Evidence indicates that in the period since 1977, Israel has been South Africa's single most important supplier of military technology relating to missiles and advanced aircraft.<sup>42</sup>

Perhaps the most interesting relationship initiated in response to sanctions is the one South Africa enjoys with Taiwan. The racial issue and apartheid have an insignificant following in Taiwan and given Taiwan's ejection from the United Nations in favor of China, there is a bond of both countries being international outcasts. Additionally, East Asia as a whole has little sensitivity to apartheid or popular concern for human rights. South Africa has increased her exports to Asian countries over 30 per cent since 1980.<sup>43</sup> It is also evident that South Africa has encouraged Asian investors to seek opportunity

in the independent homelands of Transkei, Ciskei, Bophuthatswana and Venda. While Taiwan, Hong Kong, the Philippines and South Korea have all been involved; Taiwan is the unquestioned leader. Table 2 below is somewhat dated because the Board for the Decentralization of Industry no longer freely provides the data, but it demonstrates a clear trend.

**TABLE 2**  
**FOREIGN INVESTMENT IN HOMELANDS**  
**(April 1982 through March 1985)**

| COUNTRY                           | APPLICATIONS | INVESTMENT<br>(\$Millions) | JOBS                       |
|-----------------------------------|--------------|----------------------------|----------------------------|
| Taiwan                            | 63           | 94.7                       | 16,293                     |
| Israel                            | 23           | 44.8                       | 5,020                      |
| Hong Kong                         | 10           | 10.8                       | 2,580                      |
| Philippines                       | 1            | 5.3                        | 1,410                      |
|                                   | <hr/>        | <hr/>                      | <hr/>                      |
| <b>TOTAL</b>                      | <b>97</b>    | <b>155.6</b>               | <b>25,303</b>              |
| <b>ALL FOREIGN<br/>INVESTMENT</b> | <b>159</b>   | <b>312.1</b>               | <b>34,183<sub>44</sub></b> |

As the Table 2 shows over 60 per cent of the applications, half of the investment dollars and three quarters of the jobs were directed at the homelands.

The trend is continuing. Bilateral trade with Taiwan increased 67 per cent from 1986 to 1987, growing from \$546 million to \$917 million. C.C. Kan, the Taiwanese Economic Counsellor in South Africa, predicted that trade would increase

to \$3 billion in 1990 and potentially \$8 billion in the future. Kan stated, "We are not satisfied with present levels (of trade)."<sup>45</sup>

Trade has also increased cultural and political ties causing adjustment in policies South Africa has previously considered inviolate. Of note is the revision of immigration laws, residence permits and multiple entry visas for Taiwanese. The South Africans are hungry for Taiwanese technology and for the \$19 billion trade surplus that Taiwan enjoys.<sup>46</sup>

Taiwan sees great opportunity in South Africa and had established 120 factories in the homelands by March 1988.<sup>47</sup> The homelands are attractive because of high unemployment and traditionally low wages. Taiwan's economic miracle was largely the result of cheap labor at home. That advantage has now disappeared and Taiwan's labor cost is five times higher than wages in Malaysia, Thailand and the Republic of China.<sup>48</sup> Hence, the Taiwanese are focusing on high tech ventures at home and exporting low tech, labor intensive industries off-shore to cheaper labor sources. By sending out-of-date machinery to the homelands, investors are getting a second life from their machinery no longer profitable to operate in Taiwan.

South Africa has responded with incentives which include state subsidies of up to 70 per cent of the investment on the land, buildings and plant equipment for ten years. They also allow up to 500,000 R (Rand is worth \$.40) to relocate to remote areas (homelands), rebate up to 60 per cent of product



transportation costs, provide price preferences of 10 per cent on government orders and tax-free wage subsidies of up to 95 per cent of the total wage bill for seven years. In short, South Africa provides the best investor incentives in the world, all in the hope of making the homelands economically viable and to stop black flight to the cities. Taiwan, as with most Asian nations, has little interest in the anti-apartheid movement and is simply looking for economic opportunity. That process, regardless of motive, undermines disinvestment action and financial sanctions.<sup>49</sup>

Disinvestment by many foreign companies is not wholly in response to moral beliefs, sanctions or the loss of goodwill for doing business with South Africa. A large part of the decision involves cold calculations that relate directly to profit margins. Factors like inflation, labor unrest, civil disturbances, the lack of monetary strength demonstrated by the Rand collapsed in 1985 and the brief moratorium on loan repayment have contributed to the pullout. Martin Holland in African Affairs stated, "While the anti-apartheid lobbyists claim a political victory, in fact, hard-headed economics and not morality proved the stronger motive force."<sup>50</sup>

Holland was exactly right in the case of Barclay's Bank. In 1973 Barclay of South Africa was 100 per cent British owned, but by 1985 British ownership had dropped to 40 per cent. Through much of that early period investors had earned 10 per cent per year. By 1985 the profit had slipped to 2.7 per cent per annum

with little indication that higher prices would return in the near future. The British reasoned that Barclay's was not sufficiently profitable and got out.<sup>51</sup>

Disinvestment or the selling-off of South African subsidiaries does not always mean that economic links have been totally dissolved. Many arrangements leave licensing agreements in effect and merely change product labels.<sup>52</sup> In virtually every case it is impossible to determine the ties that remain intact without inside information, as both the South African Government and the companies feel it is in their interest to keep that information confidential.

As previously stated, the most damaging of the sanctions imposed are the ones that disturb financial relationships. They are significantly more painful and effective than either import or export sanctions.<sup>53</sup> Additionally, pain from trade sanctions is usually diffused throughout the target country's population. Financial sanctions impact most often on the projects and the personal pockets of wealthy investors and government officials; the people who are in a position to change policy.

There is no doubt sanctions have hurt South Africa economically, but in some respects sanctions have provided unique opportunities to develop industries that would not have succeeded in a normal competitive market environment. Sanctions have provided the impetus to begin new industries and the perfect protectionist environment for them to develop. For example, twenty years ago South Africa was 60 per cent dependent on other

countries for her military hardware. Now she is 90 per cent self-sufficient and is either the seventh or tenth largest arms exporter in the world. Similarly, thanks to the oil embargo South Africa is nearly self-sufficient in energy and possess the world's most advanced technology for producing oil from coal.<sup>54</sup>

#### SUMMARY

Sanctions have long been used as a method to influence other nations; sometimes with great success, at other times with none. There is no doubt that international sanctions have played a role in achieving the limited changes that have taken place in South Africa. Economic difficulties accompanied by the denial of Chase Manhattan Bank to rollover loans in 1985 and the passage of the Comprehensive Anti-Apartheid Act in 1986, caused South Africa to more fully recognize that her position concerning her black citizens was untenable in the long-term and leading her down the road to economic blight or civil war. Significantly, the passage of the CAAA marked the transformation of a foreign policy issue in the United States to one of domestic policy.

While sanctions have and will continue to play a role in regard to South Africa, observers and players in world affairs would do well to remember what the foremost experts on sanctions, Gary Hufbauer and Jeffrey Schott, had to say in their work for the Institute for International Economics, "Sanctions create powerful incentives for evasion. Instead it could be said that a

sieve leaks like a sanction."<sup>55</sup> Sanctions are but a single element among many affecting the changing attitudes in South Africa.

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33. Interview with an unnamed source from the South African Embassy in Washington, D.C. on 26 September 1989.
34. Landgren, p. 235.
35. Ibid., p. 173.

36. Charles M. Becker, et al, The Impact of Sanctions on South Africa: The Economy, Washington: Investor Responsibility Research Center, 1990, p. 26.
37. Dellums, p. 22.
38. James Barber, "Notes on Western Europe's and Japan's Relations with South Africa", Southern Africa Policy Forum, October 1989, p. 33.
39. Dellums, p. 18.
40. Martin Holland, "Disinvestment, Sanctions and the European Community's Code of Conduct in South Africa", African Affairs, Vol. 88, No. 353, October 1989, p. 530.
41. Landgren, p.153.
42. Ibid., p. 24.
43. John Pickles and Jeff Wood, "Taiwanese Investment in South Africa", African Affairs, Vol. 88, No. 353, October 1989, p. 509.
44. Ibid., p. 510.
45. Ibid., p. 512.
46. Ibid., p. 513.
47. Ibid., p. 518.
48. Ibid., p. 513.
49. Ibid., pp. 518-9.
50. Holland, p. 532.
51. Ibid., p. 533.
52. Ibid., p. 532.
53. Hufbauer and Elliott, p. 8.
54. Landgren, p.15.
55. Hufbauer and Schott, p. 62.

## CHAPTER IV

### STRATEGIC AND CRITICAL MINERALS

Mineral access and availability is the binding agent that draws the issues of apartheid, national defense, US industrial viability and US foreign policy in to the same arena. The diverse and emotional positions relating to each segment have caused the South African issue to be one of the most complex and confusing debates of the decade.

Civil rights activists are prepared to impose any cost on South Africa, to include civil war, to achieve a "one man, one vote" system. Defense advocates forecast the demise of the US as a world power without access to minerals and materials produced or processed in South Africa. Businessmen likewise predict the early and catastrophic failure of US industry should they be forced to rely on alternative sources and substituted materials. Our diplomats have largely attempted to take moderate positions regarding civil rights and mineral access, offending all concerned. It is within that context the current debate over sanctions, minerals and foreign policy has taken place.

It is unclear whether civil rights activists really

accepted the strategic minerals argument, or merely compromised to build a broader base of support to achieve passage of the Comprehensive Anti-Apartheid Act (CAAA). Whichever, the bill contained an exemption clause for strategic and critical minerals. A subsequent bill introduced by Congressman Ron Dellums, Democrat from California, calls for an almost total restriction on all contact with South Africa, yet still contains the same exemption for strategic and critical minerals, adding credence to the mineral dependency argument.<sup>1</sup>

The United States is unquestionably dependent on other nations for the majority of her nonfuel mineral materials as shown by the US Bureau of Mines graph on page 131.<sup>2</sup> In comparison, our primary adversary, the Soviet Union has virtually every significant mineral located within her present borders. That fact is graphically represented on page 132. South Africa looms large because the US is dependent on her for four key strategic minerals<sup>3</sup>: (1) chromium, (2) platinum group metals, (3) manganese, and (4) vanadium.<sup>4</sup> Not surprisingly, those four metals are considered critical for both defense and for US industrial competition.<sup>5</sup> Additionally, the European Economic Community (EEC) and Japan are likewise dependent to an even greater extent for these minerals and a host of others.<sup>6</sup> See the graph on page 133. Over the past two decades South Africa's market share of mineral commodities has increased constantly.<sup>7</sup> Tables 3 and 4 below detail South Africa's market presence and her potential to dominate the market in the future.



TABLE 3  
SOUTH AFRICA'S SHARE OF US IMPORTS\*

| COMMODITY      | PER CENT IMPORTS | SUPPLIER RANK |
|----------------|------------------|---------------|
| Chrome Ore     | 79.0             | 1             |
| Ferrochrome    | 54.6             | 1             |
| Ferromanganese | 49.7             | 1             |
| Platinum**     | 65.0             | 1             |
| Vanadium       | 58.0             | 1             |

\* 1985

\*\* Direct trade only. Third party acquisitions that end up in US will increase percentage significantly.

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TABLE 4  
SOUTH AFRICAN MINERAL RESERVES\*

| COMMODITY      | RESERVES     | PER CENT | WORLD RANK |
|----------------|--------------|----------|------------|
| Platinum Group | 30,200** t   | 78.7     | 1          |
| Chromium       | 3,200*** mt  | 73.9     | 1          |
| Manganese      | 12,700*** mt | 78.5     | 1          |
| Vanadium       | 7,800*** kt  | 47.1     | 1          |

\* 1985

\*\* Contained Metal

\*\*\* Ore

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The United States has not passively accepted dependence. Efforts have been made to substitute a variety of materials, to conserve existing supplies and to stockpile materials in order to provide some elasticity in the supply. But, human effort can do little to increase the scarcity of these minerals. The US has some chromium, manganese and platinum available; but only the

platinum is marginally economical to exploit at current world prices.<sup>10</sup>

Critics state that if the mineral is available in the United States we should pay the price to exploit it. Industrialists counter that while cost is not a concern if our national security is at risk, the increased commercial cost for items produced for the world market would make American industry non-competitive by virtue of price. To a degree our dependence is a matter of choice and convenience. The Government Accounting Office (GAO) quantified the direct cost of minerals associated with a total South African embargo and found that it would cost America \$1.85 billion each year resulting from: (1) higher prices, (2) reduced consumption, (3) use of substitutes and (4) the cost of more expensive recovery methods.<sup>11</sup> The minerals industry charged that the estimate was very low in real cost and that the study over-estimated alternative sources, substitutes and the illegal acquisition of materials.

#### STOCKPILE

The concept of stockpiling, as Dr. John D. Morgan, Chief Staff Officer for the US Bureau of Mines, points out, is not new. The Book Genesis relates how grain stockpiled through seven years of plenty allowed the people of Egypt to survive seven years of famine. In the United States it was the Revolutionary War that provided the impetus for coal, iron and copper exploration and

refining. The westward expansion was itself a reflection of the need for more land and the quest for natural resources to assure greater independence from abroad. One of the missions of Commander Perry's Far East Naval Expedition in 1852 was to provide coal samples for assessment by the US Naval Laboratory in New York.<sup>12</sup>

Much later in 1921, the War and Navy Departments formed the Army/Navy Munitions Board to stockpile materials to insure that adequate stocks would be available in time of emergency and to avoid some of the problems encountered in World War I. However, legislation was not enacted until 1939 as the prospect of another war drew near. The cause of the legislation was the aggressive behavior of Germany, Italy and Japan; who were positioning themselves to obtain strategic materials. It can be reasonably argued that World War II was a resource war. Those involved with obtaining strategic and critical materials during World War II likewise did much to assist in the passage of the National Security Act of 1947 which provided much broader authority. Quantities and types of materials were based on the differentials between reliable domestic and foreign sources and the estimated requirements for the military and essential industry over a five year period.<sup>13</sup>

That national emergency planning period fluctuated greatly; beginning with 5 years, dropping to 3, then to 1 and back to 3 years. Despite thirty-five years of study, debate and experience; it became a major source of debate during the Reagan

Administration. In 1985 the National Security Council proposed that the national emergency planning period be reduced from three years to one. The basis was that any conflict threatening our national survival would not exceed one year. That became the "short war " scenario. There were indications that national survival was not the real basis for the reconsideration. Rather that the reduction in time equated to a reduction in the amounts of materials required in the stockpile. That excess material, equating to \$3.2 billion, could then be used to buy down the deficit which was becoming an increasingly serious problem for the Administration.<sup>14</sup>

Stockpile advocates in the Congress such as Representative Charles E. Bennett, Democrat from Florida and member of the House Armed Services Committee, rallied forces and prevented the sell-off. His efforts increased awareness to the level that the Congress embarked on an effort to upgrade and expand the stockpile, a program which continues today.

The debate was joined from all quarters. Men like former Secretary of Defense Robert McNamara warned of the "resource war" Alexander Haig had first postulated in 1981. The debate was stimulated by increased Soviet presence in Southern Africa and the introduction of Cuban troops into Angola. In response the Administration created the National Strategic Material and Mineral Program Advisory Committee to, "...revitalize and sustain a coherent national material and mineral policy."<sup>15</sup> Its mission was to find ways to lessen our vulnerability to supply

disruptions, foster domestic production, coordinate federal research and development programs, and to stockpile sufficient quantities of vital materials.

As the content, organization and management of the National Stockpile were undergoing scrutiny; spokesmen for US industry sensed an opportunity and proposed that the charter for the stockpile be broadened to insulate industry against market fluctuations. After all, was not American military strength based on her industrial capacity? The stockpile had been designated for use in times of national emergency and was intended to serve only the interests of national defense. Wisely Congress rejected the proposal and reasserted the policy of "for defense only" in the National Defense Authorization Act for Fiscal Years 1988 and 1989 (P.L. 100-180; 11 December 1987). The Act also required that a national emergency must be formally declared by the President or the Congress.<sup>16</sup>

The current stockpile contains ninety-four basic materials, though varying states and compounds of those materials number many more. Of those ninety-four, thirteen are agricultural in origin and eighty-one are mineral.<sup>17</sup> It would be overly time consuming to review each item on the National Stockpile List, but review of the minerals currently certified by the President under provisions of the CAAA will provide sufficient understanding of US mineral dependency.

As previously mentioned, the CAAA includes an exception under Section 303(a)(2) which states, "...for those strategic

minerals which the President has certified to the Congress that the quantities essential for the economy or defense of the United States are unavailable from reliable and secure suppliers."<sup>18</sup> The crafters of the legislation made allowances not only for national defense but, for commercial activities. In fact, the economy is mentioned prior to defense. The legislation requires that those critical materials be certified by the President and that those materials that are certified can be procured from South African parastatal organizations. Parastatal refers to a special relationship in which the Government of South Africa works in cooperation, is a partial owner or controller, or subsidizes production of a company. The vast majority of South African mining firms are privately owned and are not subject to the sanctions even without the exemption.

The Secretary of State certified an initial list of ten minerals on February 7, 1987. It was subsequently replaced by a second list which added two minerals and deleted two on December 22, 1989. The ten certified minerals are substantially less than the number included in the National Defense Stockpile, but they best demonstrate the complicated nature of US dependence.

#### CERTIFIED CRITICAL MINERALS

Acting Secretary of State, Lawrence S. Eagleburger, replaced the original certification on December 22, 1989. That list included: (1) andalusite, (2) antimony, (3) chromium, (4) cobalt

(5) manganese, (6) platinum group metals (PGM), (7) pyrophyllite, (8) rutile, (9) vanadium and, (10) zircon. Chrysotile asbestos and industrial diamonds were deleted from the 1987 list; and andalusite and pyrophyllite were added.

Each certified mineral will be discussed relative to its uses, the worldwide supply and recent trends. Information contained in the summaries has been extracted from the Certification Document<sup>19</sup>, the US Bureau of Mines, Mineral Commodities Survey for 1990<sup>20</sup>, South Africa's Mineral Industry 1988<sup>21</sup> and Out of This World<sup>22</sup>.

#### Andalusite

**Uses:** Andalusite, an alumino-silicate, is used to make brick liners in metallurgical furnaces for the refractory industry. The substance gives brick the ability to withstand deformation under high heat and weight. That property is commonly called "creep resistance". The bricks are applied to the interior of the furnaces used in the smelting of iron and steel. Bauxite was previously used and may be substituted, but with a significant reduction in product life and with higher operating costs. Large-sized andalusite particles are found only in South Africa and are ideally suited to form into high quality brick with superior resistance to rapid heating and cooling. Andalusite is also stable in a corrosive environment and resistant to alkali attack.

**Supplies:** South Africa is the only country in the world that possesses the large grain variety. In addition to

possessing a large grain, South African andalusite is relatively free of impurities. France mines a small grain variety that is high in impurities. French material could be used, but it would require significant modification to the current method of processing at no small cost. There is no alternative source that is technically equivalent and comparably priced.

**Recent Trends:** US consumption of andalusite has increased by an average of 41 per cent in each year since 1984. The same performance factors that have made it attractive to US manufacturers is causing its use to expand worldwide. During my visit to the Cullinan andalusite mine near Lydenburg in the Northern Transvaal, company officials were in the process of upgrading the physical plant in expectation of increased demand accompanied by higher prices. Exports increased 250 per cent from 1980 to 1988. US industry believes that their current market share of refractories for blast furnaces would be lost to foreign competition if they could not obtain South African andalusite. South Africa possesses 100 per cent of known world reserves.



TABLE 5

ANDALUSITE CONSUMPTION  
(Metric Tons)

|                | 1984    | 1985    | 1986    | 1987    | 1988      |
|----------------|---------|---------|---------|---------|-----------|
| US Consumption | 6,804   | 2,722   | 4,536   | 12,701  | 9,798*    |
| RSA Production | 143,300 | 194,693 | 181,624 | 194,373 | 259,556** |

\* US consumption increased an average of 41 per cent per year.

\*\* South African production increased an average of 19 per cent per year.

Antimony

**Uses:** Antimony was used as early as 4000 B.C. as eyebrow paint. The primary use today is in making antimony trioxide which is used as a flame-retardant in textiles and plastics. High performance engineering plastics require high purity raw materials. Antimony demand has accelerated over the last few years to a point it has surpassed the amount used in pigment, electrical equipment and storage batteries. Antimony metal is also used as a hardening agent, but it also provides for a significant increase in corrosion resistance and fatigue strength. Substitutes are acceptable for some uses, but the substitutes such as chromium and zirconium are also provided by South Africa. There is no acceptable substitute for antimony in polymer and plastics production.

**Supplies:** Fifty-one per cent of the total world reserve is located in China. Thailand, Bolivia, Mexico and the Soviet Union are also significant producers. However, the purity and uniform

high quality of South African antimony makes it the product of choice among world manufacturers. While China's production is high, US manufacturers shy away because of its varying quality and high level of impurities. That same problem is true to a lesser degree with supplies from Bolivia and Mexico.

**Recent Trends:** In January 1989 antimony producers from China and Bolivia met in LaPaz, Bolivia and signed an agreement designed to coordinate their policy on production and trade. The action should result in more stable prices. US consumption has increased 10 per cent per year between 1984 and 1988. While South Africa only provides about 10 per cent of our total imports and alternative sources are theoretically available, changes in production methods to insure quality would result in higher costs for end items. Additionally, increasing our reliance on China would subject us to what has always been a disorganized effort with unsteady production.

**TABLE 6**

**ANTIMONY CONSUMPTION  
(Short Tons)**

|            | 1984   | 1985   | 1986   | 1987   | 1988    |
|------------|--------|--------|--------|--------|---------|
| US Consum. | 32,261 | 35,076 | 38,751 | 41,833 | 47,126* |

\* US consumption has risen at a rate of 10 per cent per year since 1984.

## Chromium

**Uses:** Chromium was first isolated in 1797 from the mineral crocoite, which was also known as "Siberian red lead" because it was found on the eastern slopes of the Ural Mountains in the Soviet Union. Chromite was discovered in Maryland in 1827 and for twenty years was the only known source. Chromite was subsequently discovered in Turkey, India, Southern Rhodesia and South Africa. Roughly 60 per cent is used for metallurgical purposes, 25 per cent for chemical processes and 14 per cent for refractories. Chromium is essential in the production of stainless steel and superalloy production. Of note is chromium use in aerospace, power generation and transportation industries; which require metals that are both oxidation and corrosion resistant. Chromium is a component mixed in the production of refractory bricks and in foundry sand for steel castings.

**Supplies:** The US depends on imports to supply 78 per cent of the domestic demand. The remaining 22 per cent is recovered from recycling. The United States produces no chromite despite widespread occurrences of the ore. It is simply uneconomical to mine at present world prices. Sixty-five per cent of the amount imported comes South Africa and the number two supplier, Zimbabwe, ships the majority of her ore through South Africa. As with many strategic minerals, the alternative to South Africa as a supplier is the Soviet Union, who accounts for 28 per cent of the world's chromite production. Dr. Earl R. Parker of the University of California at Berkeley and a group of academic and

industry colleagues did an eighteen month study and reported, "...there are no substitutes for Chromium in the fabrication of corrosion-resistant steel and high-temperature alloys." They concluded that, "...the United States is strategically more vulnerable to a long term Chromium embargo than to an embargo of any other natural resource, including petroleum."<sup>23</sup> There is no acceptable substitute for chromium.

**Recent Trends:** Despite a current softness in the market, worldwide demand will continue to grow. US consumption increased by 114 per cent from 1980 to 1988. During my recent visit to South Africa, the President of the Ferro Alloy Producers' Association told me that they expected strong market growth beginning in mid-1990 or 1991 and are gearing-up for a market boom. My visit to Gencor's Tubatse Ferrochrome plant confirmed that outlook as they were bringing their fifth submerged arc furnace on line and shutting down another for relining to meet surge requirements expected in the near term. Tubatse's manager indicated that the Japanese trend of using more stainless steel in automobile production will continue to increase the demand.

**TABLE 7**

**CHROMIUM CONSUMPTION  
(1000 Metric Tons)**

|            | 1984 | 1985 | 1986 | 1987 | 1988 |
|------------|------|------|------|------|------|
| US Consum. | 333  | 311  | 384  | 374  | 504* |

\* US consumption has increased an average of 21 per cent per year since 1984.

TABLE 8  
WORLD CHROMIUM RESERVES

| Country      | Per Cent |
|--------------|----------|
| South Africa | 81       |
| USSR         | 10       |
| Finland      | 2        |
| Zimbabwe     | 2        |
| Albania      | 1        |
| Brazil       | 1        |
| India        | 1        |

### Cobalt

**Uses:** Cobalt was used as a coloring agent as early as 2000 B.C. It was also used for similar purposes by the Greeks, Romans and the Chinese during the Ming Dynasty (circa 1500). Cobalt imparts a number of characteristics to metals to which it is added. Those characteristics include corrosion resistance, high temperature strength and retention of strong magnetic properties in alloys up to 2000 degrees F. It is also the best binder of tungsten carbides. Cobalt is essential in defense and aerospace applications, as a catalyst in refining crude oil and for hot metal cutting applications. Various materials may be substituted for cobalt, but most often with attendant losses of efficiency.

**Supplies:** US domestic mine production ended in 1971 despite considerable occurrences at the Madison Mine in Missouri and the Blackbird Mine in Idaho. Cobalt supplies are largely fixed because cobalt is most often produced as a by-product of nickel,

copper and platinum production. Therefore, the viability of mining cobalt depends on the source rock price, not the cobalt price. Zaire and Zambia are the world's largest producers of cobalt and the US is about 85 per cent dependent. While South Africa is not a producer, cobalt from Zaire and Zambia is transported through South Africa by South African rail because of South Africa's ability to meet delivery requirements in a timely and efficient manner. The Soviet Union is the number three producer of cobalt but is believed to be a net importer. Nickel can be substituted in some cases, but most often results in a loss of performance.

**Recent Trends:** US consumption increased about 7 per cent annually from 1984 through 1988. The United States is dependent on Zaire for nearly a third of its total supply which is shipped through South Africa. Industrial users prefer the reliability of South African shippers. No change is expected in either world demand or world supply.

**TABLE 9**  
**COBALT CONSUMPTION**  
**(1000 Pounds)**

|            | 1984   | 1985   | 1986   | 1987   | 1988    |
|------------|--------|--------|--------|--------|---------|
| US Consum. | 12,944 | 13,541 | 14,442 | 14,892 | 16,031* |

\* US consumption increased 7 per cent annually since 1984.

TABLE 10  
COBALT WORLD RESERVES

| Country | Per Cent |
|---------|----------|
| Zaire   | 40       |
| Zambia  | 12       |
| Canada  | 7        |
| Finland | 4        |
| Norway  | 4        |

### Manganese

**Uses:** Manganese was first isolated as a separate element in 1774 and was used primarily as a coloring agent in pottery and glass. In the 1830s its use as an enhancer in steelmaking became widely known and its use has not diminished since. Manganese performs two vital roles in steel production. The manganese picks up sulphur and other elements that degrade the quality of the steel and transfers them from the molten steel to the slag. Manganese is also important as an integral part of the alloys themselves as it improves strength and hardness while inhibiting the formation of boundary carbides. No satisfactory substitute exists for manganese in its major applications.

**Supplies:** The US is virtually 100 per cent dependent for the import of manganese. Little is reclaimed from recycling. South Africa provides less than 1 per cent of the US consumption of metallurgical grade ore, but supplies 100 per cent of metal imports and almost 49 per cent of manganese ferroalloys. There are adequate alternative sources for the ore, but the US lacks the capacity to refine the ore at a competitive world market price.

Recent Trends: Metallurgical manganese ore was at an historical high price in early 1989 and demand has continued to rise. Price strength is a result of high steel production and the fact that The Soviet Union and China are importing significant quantities. US consumption was up 9 per cent from 1987 to 1988.

TABLE 11

MANGANESE CONSUMPTION  
(1000 Short Tons)

|            | 1984 | 1985 | 1986 | 1987 | 1988 |
|------------|------|------|------|------|------|
| US Consum. | 627  | 698  | 730  | 692  | 752* |

\* US consumption has risen on the average of 3 per cent per year since 1984.

TABLE 12

MANGANESE WORLD RESERVES

| Country      | Per Cent |
|--------------|----------|
| South Africa | 42       |
| CPE*         | 35       |
| Gabon        | 11       |
| Australia    | 8        |
| Brazil       | 2        |

\* Centrally Planned Economies

Platinum Group Metals (PGM)

Uses: The PGM are composed of six similar elements that are generally divided into the heavy group (platinum, iridium and osmium) and the lighter group (palladium, rhodium and ruthenium). Platinum artifacts date from Egyptian times, though it was used



little because it is a very difficult metal to melt. The PGM excels as a catalyst, is chemically inert and highly resistant to corrosion. PGMs are currently used in catalytic converters for automobiles, in refining petroleum, in producing a variety of chemicals and in electrical applications requiring high conductivity. They are also used in anti-cancer drugs, dental alloys and in high temperature vessels used in manufacturing glass. PGMs are much harder than gold and silver and are excellent for intricate, detailed work considered impractical for gold. More costly than gold, the Japanese and Koreans seem to have an insatiable desire for it. There are no known substitutes for PGMs used as catalysts.

**Supplies:** The US and Japan are the world's primary consumers using 42 and 46 per cent respectively. The United States is 90 per cent dependent on imports. Of the top producers only South Africa mines directly to recover platinum. The Soviet Union and Canada obtain PGMs as a by-product of nickel. Only two mines in the US are considered marginally economic to operate. They are the Good News Bay Mine in Alaska and the Stillwater Complex in Montana.<sup>24</sup> The US could reduce consumption by 50 per cent per year if they discontinued the use of catalytic converters in automobiles. South Africa and the Soviet Union produce slightly less than half of the world's annual output with the Soviets selling 50 to 60 per cent on the world market. The US is able to acquire about 5 per cent of her annual consumption through recycling.

Recent Trends: Demand is expected to remain high for PGMs used in autocatalysts, jewelry and investment. As Europeans become more sensitive to auto exhaust emissions, demand will increase. The South Africans will provide the lion's share because of their extensive reserves and ease of mining. The South African's are now mining PGMs at Kennedy's Vale in the Transvaal and the so called waste material is high quality chromite which they can also sell. Increased production from the Soviets and Canada depend on the demand for nickel.

TABLE 13

PLATINUM GROUP METALS CONSUMPTION  
(1000 Troy Ounces)

|            | 1984  | 1985  | 1986  | 1987  | 1988   |
|------------|-------|-------|-------|-------|--------|
| US Consum. | 3,299 | 3,136 | 3,356 | 2,969 | 3,161* |

\* US consumption increased an average of 3 per cent each year since 1984.

TABLE 14

PLATINUM GROUP METALS WORLD RESERVES

| Country      | Per Cent |
|--------------|----------|
| South Africa | 86       |
| CPE*         | 1        |
| USA          | <1       |
| Canada       | <1       |

\* Centrally Planned Economies

### Pyrophyllite (Wonderstone)

**Uses:** Pyrophyllite was added to the 1989 list and is a silicate mineral similar to talc. It is used in ceramics and in refractories. Wonderstone is a special variety found only in South Africa. It is composed of crystalline pyrophyllite, chloritoid, epidote and rutile. In the advanced ceramics industry it is the basic raw material. Soft when it comes from the ground, it attains a hardness level of eight on the Mohs scale once it is fired and can be machined like metal. Pyrophyllite is used for gaskets in the production of synthetic diamonds, gas nozzles on heli-arc welders, as sealants on nuclear waste canisters and other classified advanced applications.

**Supplies:** No similar type deposits are reported anywhere else in the world, save South Africa. Estimates on world reserves are not currently available and South African mining officials ignored my questions as to production and reserves.

**Recent Trends:** The growth of the advanced ceramic's industry signals the increased demands for wonderstone. The US import demand increased by 67 per cent from 1986 to 1988. Steatite can be substituted in the insulator industry, but with inferior results. Alumina can be substituted in the welding industry; but alumina nozzles are more expensive, less durable and cause contamination in aerospace applications.

### Rutile

**Uses:** Rutile, a crystalline titanium dioxide, is the preferred raw material for the manufacture of titanium metal and

TiO<sub>2</sub> pigment. Synthetic rutile is made from ilmenite and has a TiO<sub>2</sub> content near that of natural rutile. Because of titanium's high strength-to-weight ratio, resistance to heat and corrosion; it is the metal of choice in high performance aircraft engines and airframes. It is also used extensively for space and submarine applications. There is no satisfactory substitute in aerospace applications and no cost effective substitute that is available as a pigment in surface coatings due to its high refractive index and dispersion qualities.

**Supplies:** The US is 87 per cent import dependent. Australia, South Africa and Sierra Leone are the world's largest producers, but about 25 per cent of Australia's reserves cannot be mined due to environmental concerns. Canada produces large quantities of slag but because of its low concentration of TiO<sub>2</sub> and impurities it cannot be used in US plants.

**Recent Trends:** As the worldwide demand for titanium has risen, so has the price in that current production facilities are working at near capacity. While US annual use increased 11 per cent per year since 1983, world consumption of South African slag has increased 31 per cent per year. Look for increased demand and increased prices as efforts to bring new production on-line cannot keep up.

TABLE 15

RUTILE CONSUMPTION  
(1000 Short Tons TiO<sub>2</sub> Content)

|            | 1984 | 1985 | 1986 | 1987 | 1988 |
|------------|------|------|------|------|------|
| US Consum. | 326  | 339  | 382  | 403  | 469* |

\* US consumption has increased about 11 per cent per year since 1984.

TABLE 16

RUTILE WORLD RESERVES

| Country      | Per Cent |
|--------------|----------|
| Brazil       | 63       |
| Italy        | 15       |
| Australia    | 10       |
| South Africa | 3        |
| India        | 3        |
| Sierra Leone | 1        |
| USA          | 1        |

Vanadium

**Uses:** Vanadium was first isolated by a Swedish scientist named Sefstrom in 1830. He named it after Freya Vandis, the Scandinavian goddess of love and beauty. Vanadium's chief use is as an alloying agent in steel and iron production. It gives the end product high temperature strength and abrasion resistance. About 15 per cent is used in titanium alloys for aircraft and space applications. Vanadium is also used as a catalyst in a variety of chemical processes, particularly the production of maleic anhydride and sulfuric acid. Vanadium is used in high-

strength pipeline to transport gas and oil over long distances. Columbium, manganese and molybdenum and tungsten can be substituted in limited steel applications, but all result in either technical or economic drawbacks. Vanadium has no acceptable substitute in aerospace titanium alloys or in many of the catalytic purposes critical to the chemical industry.

**Supplies:** South Africa is the world's largest producer of vanadium followed by the Soviet Union and China. It must be noted however, that the Soviet Union and Chinese materials vary widely in quality and uniformity. South Africa provides almost all of US imports. Prior to 1985 the US produced 54 per cent of its vanadium requirement as a by-product of uranium processing. Virtually all uranium mines were closed because they failed to remain price competitive. CAAA restrictions have unwittingly killed the US uranium processing industry.<sup>25</sup> The richest vanadium mine in the world is Vansa Mine in the Transvaal and it assays at 3.2 per cent vanadium to host rock.

**Recent Trends:** Vanadium pentoxide (V2O5) increased in price 4 per cent per month for the first nine months of 1988 as a result of tremendous demand from the steel industry. Prices fell in the first half of 1989 as production caught up with demand. Thus the marginal producers who entered the market because the prices were high, will be forced out by the low cost producers such as Rand Mines' Vansa Vanadium.

TABLE 17

VANADIUM CONSUMPTION  
(Short Tons Contained Vanadium)

|            | 1984  | 1985  | 1986  | 1987  | 1988   |
|------------|-------|-------|-------|-------|--------|
| US Consum. | 4,761 | 4,883 | 4,308 | 4,653 | 5,328* |

\* US consumption increased by 12 per cent per year since 1984.

TABLE 18

VANADIUM WORLD RESERVES

| Country      | Per Cent |
|--------------|----------|
| CPE*         | 76       |
| South Africa | 20       |
| USA          | 3        |

\* Centrally Planned Economies

Zircon

Uses: Zircon was not on the certified list submitted in 1987, but was included on the 1989 State Department list. It is important in a number of industrial and military applications where strength and resistance to high temperature oxidation are necessary. Zircon is used for foundry and refractory purposes. Additionally, cubic zirconia is used in laser crystal production; as a semiconductor substance; in sensors for microprocessors; and in alloys for jet engines. Zirconias ceramics are being used in the biomedical industry as process valves, engine components and as cutting blades in the textile

industry. Zirconia metal is used primarily by the nuclear power industry; but also for superalloys, chemical processing and electronics.

**Supplies:** The United States is import dependent for over 40 per cent of her annual consumption, of which almost 95 per cent comes from Australia and South Africa. South Africa produces the highest grade material, low in aluminum oxide and titanium oxide, which is required for advanced materials applications. Australia has a product comparable in quality but her production is committed elsewhere on long-term contract arrangements. The Soviet Union is the other major world producer, but consumes virtually all of its production.

**Recent Trends:** Zircon is graded into three commercial types: (1) standard, (2) intermediate and (3) premium. Production has been unable to meet worldwide demands in the last three to five years. The estimated shortfall in 1988 was in the neighborhood of 100,000 metric tons. The Bureau of Mines indicated that supplies of standard grade should meet demand in the next three to five years. However, supply will not meet demand for the premium grade material used in the production of zirconia ceramics causing further price increases. South Africa's share of the market is increasing and given their technical capabilities they are in excellent position to take maximum advantage of the continued shortage.



TABLE 19

ZIRCON CONSUMPTION  
(Metric Tons)

|            | 1984    | 1985    | 1986    | 1987    | 1988     |
|------------|---------|---------|---------|---------|----------|
| US Consum. | 117,934 | 117,934 | 143,335 | 132,800 | 171,502* |

\*US consumption has increased an average of 17 per cent each year since 1984.

TABLE 20

ZIRCON WORLD RESERVES

| Country      | Per Cent |
|--------------|----------|
| Australia    | 38       |
| USA          | 17       |
| South Africa | 15       |
| Soviet Union | 13       |

SUMMARY

The origin of sanctions against South Africa leading to the enactment of the Comprehensive Anti-Apartheid Act of 1986, the focus on the law's mineral provisions and the analysis of each of the ten certified minerals is a tedious process. There are a number of key points that should be salvaged from the mass and retained.

First, the United States is dependent to a significant degree upon South Africa for minerals critical to national defense and the commercial viability of many American firms. That dependence continues to grow and given South Africa's

identified reserves and metallurgical expertise they will dominate world markets well into the Twenty-First Century. In the December 1989 certification, South Africa was the primary supplier, direct or indirect, of andalusite, chromite and its compounds, cobalt (transhipped through South Africa), the platinum group metals, pryophyllite and vanadium. Concerning the remaining three minerals, South Africa was the number two provider. When uniformity, purity and delivery reliability are factored into the equation; South Africa often becomes the only supplier.

The important distinction that must be made is that in the event of a declared national emergency that would disrupt South African supplies of materials, the United States could produce the required end items to prosecute a war through: (1) use of the National Defense Stockpile, (2) confiscation of existing commercial stocks, (3) purchase of materials at a premium and the mobilization of recycling capabilities and, (4) existing mining operations. The key is that the US can do it, but at great expense. US commercial interests are vulnerable to disruption either through internal South Africa disruptions or through the passage of more restrictive trade sanctions. If the disruption in supply effected all South African customers, US industry may gain a small competitive advantage in that we do possess some critical minerals in currently subeconomic concentrations.

Secondly, substitution as indicated through the preceding mineral summaries is possible in a crisis, but almost always

results in higher priced commodities or products which are inferior. For example, bauxite refractories can be substituted for andalusite refractories. However, bauxite results in shorter brick life which increases furnace downtime for relining; and day to day, requires more energy to maintain furnace temperature. Bauxite also causes unacceptable contamination in some processes. Can you use bauxite? Yes, but with the increased downtime, cost and contamination; do you want to?

Finally, if Section 303(a)(2) were deleted from the CAAA all ten certified materials would still be imported legally from South Africa. The vast majority of mining firms in South Africa are privately owned firms and are not parastatal organizations. The concern expressed by both the Bush Administration and US industry is that a next step on the sanctions road would be to prohibit all South African imports. That position has been heard and accepted by lawmakers in favor of new sanctions. Both H.R. 21 and S.507 still contain exemptions for critical minerals essential for defense and industry.

1. U.S., Congress, House, A Bill To Prohibit Investment In. And Certain Other Activities With Respect To South Africa, H.R. 21, 101st Cong., 1st sess., 1989, p. 30.

2. U.S., Bureau of Mines, Mineral Commodity Summaries 1990, Washington: Government Printing Office, October 1989, p. 3.

3. The Office of Technology Assessment definitions are helpful in relation to the debate.

A mineral is termed critical if it is essential for defense or industrial use and the substitutes are inappropriate or do not exist.

A strategic mineral is one for which the quantity required for essential military and civilian uses is greater than the domestic or secure foreign supplies and for which acceptable substitutes are not available in an acceptable time period.

4. Donald H. Story, LTC, (USAF), United States Mineral Dependence on South Africa, Washington: Industrial College of the Armed Forces, 2 December 1987, p. 1.

5. Ibid., p. 5.

6. Margaret Churchill Binda, (USIS), U.S. Dependence on South Africa for Strategic Minerals, Thesis, Fort McNair: National War College, February 1987, p. 5.

7. Koos Van Wyk and M. Anton Von Below, "The Debate on South Africa's Strategic Minerals Revisited", Comparative Strategy, Vol. 7, No. 3, 1988, p. 165.

8. Ibid., p. 168.

9. Ibid., p. 165.

10. Binda, p. 1.

11. U.S., General Accounting Office, Extent of U.S. Reliance on South Africa, Washington: GAO/NSIAP-88-201, June 1988, pp. 5-6.

12. John D. Morgan, Strategic Minerals, Address to the Industrial War College of the Armed Forces in Washington, D.C., 9 March 1989, p. 2.

13. Ibid., pp. 3-5.

14. Binda, p. 29.

15. George White, The Mineral Position of the United States - 1988, Washington: Government Printing Office, 1988, p. 69.

16. U.S., Department of Defense, Strategic and Critical Minerals Report to the Congress: Operations Under the Strategic and Critical Material Stock Piling Act During the Period October 1987

- March 1988, p. 31.

17. Morgan, pp. 5-6.

18. U.S., Congress, House, An Act To Prohibit Loans To, Other Investments In, And Certain Other Activities With Respect To South Africa, H.R. 4868, 99th Cong., 2nd sess., 1986, p. 14.

19. Lawrence S. Eagleburger, Certification of Strategic Minerals Pursuant to Section 303(a)(2) of the Comprehensive Anti-Apartheid Act of 1986 by the Acting Secretary of State, Washington: 22 December 1989.

20. U.S., Bureau of Mines, Mineral Commodity Summaries 1990, 1989.

21. Republic of South Africa, Department of Mineral and Energy Affairs, South Africa's Mineral Industry 1988, 6th Revised Ed., August 1989.

22. Out of This World, Randburg: Council for Mineral Technology, 1986.

23. Noffke, p. 19.

24. Van Wyk and Von Below, p. 170.

25. Davis W. Coale, Effect of the 1986 Comprehensive Anti-Apartheid Act on the U.S. Uranium Industry, Washington: Department of Commerce, April 1988.

## CHAPTER V

### US FOREIGN POLICY TOWARD SOUTH AFRICA

US foreign policy towards South Africa since her independence in 1910 has ranged from total disinterest at one extreme to benign neglect at the other. Relations between the two countries have been largely amiable arising from similarities in origins, both being pioneering nations and former colonies of Great Britain. The favorable attitudes must also be linked to the fact that South Africa was a declared ally in World War I and II, and has been strongly anti-communist.

The disinterest or neglect exhibited by the United States was always tempered by the realization that South Africa was a storehouse of natural resources and a market for American manufactured goods. As early as 1953 a US Senate study concluded in conjunction with the Eisenhower Administration (Stockpile Accessibility of Strategic and Critical Material to the U.S. in Times of War), that raw materials located in South Africa would play a large role in future conflicts.<sup>1</sup>

US interest increased significantly after the Sharpeville riots in March of 1960. The United States voted in favor of a United Nations' resolution condemning the, "...actions and

policies of the Union of South Africa..." and encourage it to abandon its policy of apartheid and racial discrimination.<sup>2</sup> It is interesting that the United States was condemning the policies of apartheid while black Americans were still struggling for their own civil rights in America.

The Kennedy Administration's policy toward South Africa was an interesting contrast of positions. The Administration consistently condemned apartheid, yet remained a strong opponent of expelling South Africa from the United Nations. The Administration also opposed mandatory sanctions against South Africa and supported their right to harass and prosecute those advocating violent opposition to the government.<sup>3</sup> The assumption must be drawn that in comparison to what was perceived as a universal, monolithic communist threat to the survival of the free world; the rights of fifteen to twenty million blacks was insignificant.

Despite the Kennedy Administration's strident and public verbal attacks on apartheid in the United Nations and in the world press, South Africa maintained a cordial and profitable trade relationship even to the point of having "most favored nation status". Following South Africa's departure from the British Commonwealth in the wake of the Sharpeville riots, the US provided sugar quotas and the investment capital that sparked their economic boom.<sup>4</sup>

In agreeing to a unilateral arms embargo in 1963, the United States in the United Nations Security Council reserved the right

to provide weapons to South Africa "...for assuring the maintenance of international peace and security."<sup>5</sup> Again the overriding threat of communism dominated all considerations. During both the Kennedy and Johnson Administrations, Washington's policy was predominately influence by the communist threat and, no doubt, the availability of low-cost, raw materials based on black labor.<sup>6</sup>

It was the communist threat that brought forward the first comprehensive statement of US policy toward Southern Africa in 1976. The event was precipitated by an indirect superpower clash that erupted in Angola following the unexpected collapse of the Portuguese colonies. In Lusaka, Zambia; Henry Kissinger, then Secretary of State in the Ford Administration, began an effort to achieve a negotiated settlement in Angola and for the independence of both Southern Rhodesia and Namibia. He urged the end of "institutionalized inequality" and warned that the time remaining to achieve a peaceful solution was "...of far shorter duration than was generally perceived even a few years ago."<sup>7</sup> The Soweto riots two months later demonstrated his reading of the seriousness of the situation in South Africa.

Following Ford, President Carter stressed concerns for human rights around the world and in so doing distanced the United States from the government in Pretoria. He repeatedly called for political participation for all South Africans; tightened restrictions on materials used by the police to impose apartheid; and, most importantly, encouraged contacts with black South



Africans.<sup>8</sup>

When Ronald Reagan replaced Carter in the White House, he was beset with monumental problems ranging from double-digit inflation at home to the Soviet war in Afghanistan. With pronouncements by Soviet leaders indicating that dominance of the free world was possible through denial of critical resources, talk of a resource war became the topic of choice in Washington.

The Soviets were virtually self-sufficient in minerals and energy. They were felt to be advancing to warm water ports via Afghanistan and Iran; were building a massive naval base at Cam Ranh Bay in Vietnam; and pumping one billion dollars a year into Angola, ten times more than the US military assistance provided to the forty-six nations of sub-Saharan Africa combined.<sup>9</sup>

American audiences of every type were bombarded with charts and slides depicting Soviet self-sufficiency and America's reliance on foreign sources of minerals and materials critical for our survival. Americans again learned of Alfred Thayer Mahan and the control of sea lanes; the importance of the Florida Straits, the Greenland-Iceland-U.K. Gap; and the exotic Straits of Bab-al-Mandab. Opponents of communism were sought and courted regardless of their political legitimacy or human rights record.

The focus of US foreign policy changed considerably in virtually every area of the world when Reagan came into office, and Africa was no exception. A man named Chester Crocker was appointed as the Assistant Secretary of State for African Affairs. Crocker had previously stated, "The United States has

an inherent and proper interest in purposeful change in South Africa toward a nonracial system."<sup>10</sup> It was Crocker who convinced Reagan to adopt a policy first advanced in a Foreign Affairs article written by Crocker; "constructive engagement".

Constructive engagement was based on four assumptions. First, that South Africa's military and economic dominance would allow her to manage the internal and external demands for change. Second, that the Botha government would agree to a settlement in Namibia if it were tied to the withdrawal of Cuba troops from Angola and improved US relations. Third, that a Namibian settlement would begin a self-reinforcing cycle that could cause positive developments in both South Africa and the region. And finally, that progress was more likely if criticism and pressure were applied through government channels as opposed to public ones.<sup>11</sup>

When the South Africans became more resistant to change in Namibia and no agreement seemed possible concerning Cuban troops in Angola, academicians and observers all felt that the Reagan Administration's policy of constructive engagement was flawed or was simply indirect support of the white government in Pretoria. Now with the independence of Namibia a fact, the Cubans in the process of leaving Angola and negotiations taking place with the African National Congress; Chester Crocker and Ronald Reagan must be very pleased. The only question is how much did sanctions change the equation in South Africa to induce the negotiation process.

In late 1982 and 1983 it appeared as if the situation in Southern Africa was worsening. South Africa began a coordinated effort to intimidate and destabilize neighboring states to reinforce her overwhelming regional dominance. The focus was initially Angola, Mozambique and Zimbabwe; all the while reminding LeSotho and Swaziland of their inherent vulnerability. Most disappointing to the Reagan Administration was that despite improved relations with the United States, South Africa made no attempt to extend meaningful individual rights to blacks.

The Reagan Administration broke with constructive engagement when in June 1983 the Under Secretary of State, Lawrence Eagleburger, publicly criticized South Africa in strong and direct terms. He stated that the political system of apartheid was morally wrong and rejected the homelands concept in totality. The United States also began efforts to reduce and eliminate South African cross-border operations against the Frontline States. South Africa responded favorably and, in large, operations against Zimbabwe were halted. In February 1984 a cease fire agreement was reached with Angola and in March the Nkomati Accord, a mutual nonaggression pact, was signed.<sup>12</sup>

Periodic violation of the agreement by South Africa, along with the transformation of apartheid from a foreign policy issue to one of domestic policy, created the circumstances that abrogated the policy of constructive engagement. Groups like TransAfrica and the Free South Africa Movement did monumental work in sensitizing Americans to the inequities and brutality of

apartheid. Their efforts resulted in picketing at colleges and shareholder meetings throughout the United States. As awareness rose they were joined by labor unions, churches and civil rights groups that brought apartheid to the domestic forefront.

Constructive engagement, as a centerpiece policy, ended with the passage of the Comprehensive Anti-Apartheid Act of 1986 (CAAA). Though the provisions of the Act were not actively or fully enforced, it signaled one more step down the road to total isolation for South Africa, a nation that greatly depends on exporting her raw materials to foreign markets.

The Bush Administration has continued relations with South Africa much as they were left by the Reagan Administration. However, Herman J. Cohen in testimony to the Senate Foreign Affairs Committee in October 1989 acknowledged officially that sanctions had played a role in bringing pressure to bear on the white government in South Africa. He stressed that de Klerk be given adequate time to form his government and to take action in Parliament. Cohen felt that June of 1990 would be an appropriate time to evaluate the need for additional action.

The Bush Administration sent a clear and important message to South Africa in May of 1989 when the President invited the Reverend Allan A. Ejesak, Anglican Archbishop Desmond Tutu and Beyers Naude to the White House for discussions about South Africa. To insure there was no misunderstanding in Pretoria, Bush followed that meeting with one in June 1989 with Albertina Sisulu, Co-President of the United Democratic Front. These

meetings signaled to the world that the Bush policy would be more confrontational than Ronald Reagan's.

Margaret Tutwiler, State Department spokesman, detailed the Bush policy toward South Africa in September 1989 following the National Party victory in the parliamentary elections.

...the Administration's policy is guided by five principles: a commitment to ending apartheid; assistance to black South Africans; "active U.S. diplomacy" to resolve conflicts throughout southern Africa; consultation with U.S. allies to support change in South Africa, and, "finally, working with Congress to develop a bipartisan approach toward South Africa."<sup>13</sup>

The real change with the Bush Administration is in their attempt to deal with the issue in concert with the Congress, minimizing the adversarial roles. Consistent with past experience, events in Eastern Europe and the Soviet Union are far more urgent and important to the United States and world security than events in Southern Africa. With the exception of coups in the homelands and major pronouncements by the ANC or de Klerk, the American government and her people will largely ignore events in Southern Africa. The US is returning again to the days of benign neglect in their concern for events in Southern Africa in general, and South Africa in specific.

1. John Walton Cotman, "South Africa Strategic Minerals and U.S. Foreign Policy", Review of Black Politics and Economics Vol. 8 No. 3, Spring 1978, pp. 286-87.
2. U.S., Department of State, A U.S. Policy Toward South Africa, p. 36.
3. Ibid., p. 278.
4. Ibid., pp. 280-1.
5. Ibid., p. 281.
6. Ibid., p. 286.
7. U.S., Department of State, A U.S. Policy Toward South Africa, p. 36.
8. Ibid.
9. Chester Crocker, "Southern Africa: Eight Years Later", Foreign Affairs, Vol. 68:144-64, Fall 1989, p. 146.
10. Ibid., p. 145.
11. U.S., Department of State, A U.S. Policy Toward South Africa, pp. 36-7.
12. Ibid., p. 37.
13. David B. Ottoway, "U.S. Calls Vote A Mandate for 'Real Change'", Washington Post, 8 September 1989, p. A30.

## CHAPTER VI

### RESOLUTION AND THE FUTURE

Herman J. Cohen, Assistant Secretary of State for African Affairs, told members of the Senate Foreign Relations Subcommittee on Africa in the fall of 1989, "For the first time in years, it is possible to be somewhat hopeful that a negotiation scenario may be just beyond the horizon."<sup>1</sup> He was referring to the victory of the National Party and of F. W. de Klerk's willingness to negotiate a solution to power sharing with blacks in South Africa. Editor Aggrey Klaaste of the Johannesburg based newspaper the SOWETAN said that he sensed for the first time in thirty years a "new spirit of options."<sup>2</sup> President Kenneth Kaunda of Zambia and leader of the Frontline States was far less positive. He felt that without major changes that a major explosion would occur within the next two years. He stated in reference to the future, "I am seeing a holocaust."<sup>3</sup>

Those divergent views by well informed, highly knowledgeable people provide the backdrop against which the Government of South Africa and the African National Congress (ANC) must bring about fundamental change, both politically and economically. The success of that venture, if achievable, will rest on the

personalities and the abilities of President Frederik W. de Klerk and Nelson Mandela. They both represent highly complex political groups and they both have, within their camps, a significant number of radicals opposed to a peaceful, negotiated settlement. Ironically, it appears that de Klerk and Mandela have become, in function, allies trying to balance white fears with black demands for political and social equality. Should they move too fast or too slow they could precipitate defections from their individual political bases that could cause both to lose power, and therefore control of the process and doom it to failure.

#### THE NATIONAL PARTY

Apartheid became a matter of official policy following the parliamentary elections in May of 1948. Dr. D.F. Malan, leader of the National Party campaigned on a platform of racial discrimination and separation with a strong anti-communist flavor. Over the following twenty years apartheid laws were enacted to legitimize racial discrimination. During the 1960s whites split into two basic groups. One was the Verligtes, who favored small concessions to minimize conflict and maintain control. They felt they could build a black middle class that would support the status quo. The other group was the Verdrompes, who rejected all concessions and favored a militant repressive approach.<sup>4</sup>

The Verligtes or "enlightened group" prevailed. It was this



group composed of the military and the reform-minded businessmen that put P. W. Botha in power in 1978 when a scandal toppled the government of Prime Minister B. J. Vorster.<sup>5</sup> Interestingly, it was Botha who in 1979 told the National Party Congress that, "Apartheid is a recipe for permanent conflict. Change is the only alternative to revolution ... adapt or die."<sup>6</sup> Yet, it was under his administration that efforts were made to destabilize opposing governments, that cross-border operations were begun and efforts to crush dissent were intensified.

In an attempt to build a constituency for the status quo, the National Party introduced a new constitution in 1983. The "reformist" tricameral system was designed to give a limited political voice to Coloureds and Asians. Botha's government during the period was totally preoccupied with the Afrikaner right wing opposition and was shocked by the intensity and uniformity of black rejection.<sup>7</sup> In 1985 Botha conceded that the tricameral parliament was not a final solution, but rather a step that would culminate with blacks being "...involved in the highest levels of decision making."<sup>8</sup> The hope that Botha was a man of vision destined to bring change perished with the black and foreign communities' loss of faith in the wake of the 1983 Constitution.

Botha, the "Groot Krokodil" (Great Crocodile), was one of the developers of a National Party strategy for settlement. The first part of the plan focused on talks with representatives of homeland and community governments and was known as the Cooption

Plan. The second part of the plan involved low-level talks by academics with the African National Congress. The two efforts were held together by the securocratic establishment thinking which is reminiscent of the Vietnam War: "Get them by the balls and their hearts and minds will follow."<sup>9</sup>

De Klerk's ascent to power was a bitter pill for Botha to swallow. It was de Klerk who often counselled Botha toward a hard-line approach. His new found conciliatory approach shocked all and left Botha with the feeling he had been tricked, then sacrificed.

Frederik W. de Klerk, who at fifty-four became the youngest of the nine men who have led South Africa since its independence in 1910, faces the distinct possibility that he may be the last white president. It was widely held that he would have two years to provide some resolution to the black demands.<sup>10</sup> Knowledgeable observers still feel a solution must be in place prior to the 1994 parliamentary elections.

There are a number of factors that argue for early resolution. The black dissent that was crushed so completely after the Sharpeville uprising of 1960 and to a lesser extent after the Soweto uprising of 1976, would not submit after the uprisings of 1984 and 1985. Mass mobilization and resistance are now a permanent feature on the political landscape of South Africa. Additionally, without foreign capital the economy of South Africa is deeply wounded. A rand that was worth \$1.40 in 1980 is today valued at about \$0.40. Consumer prices have

spiralled upward and inflation is at 16 per cent with little hope of abating.<sup>11</sup>

As a leader De Klerk was thought to be competent by those who knew him best, but unimaginative. In 1987 he supported Conelius Mulder in a losing cause against P.W. Botha as the successor to Prime Minister John Vorster. Mulder later joined the Conservative Party. In June 1982 de Klerk was chosen to be the National Party leader in the Transvaal after Andries P. Treurnicht broke away to form the Conservative Party. It was felt that de Klerk with his strong Afrikaner background was the best man to counter the Conservative movement in the traditional-mined Transvaal. Simply, it was hard to tell the difference between de Klerk and the Conservatives.

It was de Klerk who encouraged Botha's "Rubicon Speech" in 1985, when Botha defiantly committed South Africa to white domination in perpetuity. It was that speech that helped solidify international commitment to oppose apartheid, created a substantial internal reform movement and caused Chase Manhattan Bank to refuse new loans.<sup>12</sup> That act catapulted Botha to the forefront as a villain on the international stage. Robert Shrire, a renowned political scientist, felt that the animosity between Botha and de Klerk was a result of seeing "...the man who had been his main conservative obstacle presented as the reformist hope for the future and he, Botha, as the obstructionist."<sup>13</sup>

Even de Klerk's brother expressed surprise at de Klerk's

flair for managing events to achieve maximum benefit. For example his meetings with President Kaunda of Zambia and with Nelson Mandela caused international media and government officials to reassess their original positions. His commitment to reform and "power sharing", in essence, took the Democratic Party's platform and made it the platform of the National Party. His boldest stroke according to Mr. John Hall, Executive Director of Barlow Rand Limited, was the unbanning of the South African Communist Party (SACP).<sup>14</sup> Most knowledgeable observers felt that objections to recognizing and to the unbanning of the SACP would be the single greatest obstacle to arranging negotiations. De Klerk has surprised both friend and enemy and seized the initiative. The fear of many is that de Klerk's apparent commitment to reform is but another Afrikaner ploy to gain more time in the tradition of the Verligters.

Within South Africa the electoral victory of the National Party of September 6, 1989 was surprising, not because they won, but rather for what appeared to be a shift to the left by white voters. The far right Conservative Party gained seventeen seats, but less than the predicted thirty. The Democratic Party won twelve additional seats and 11 per cent in the voting.<sup>15</sup> With the National Party and the Democratic Party possessing the same goals, the election was interpreted as 70 per cent of the white electorate favoring reform.

Frederik van Zyl Slabbert, former opposition leader from the Democratic Party and a descendent of an Afrikaner family which

has been in South Africa over 300 years, explained the left-ward shift. Under conditions that should have favored the right, whites were responding to the realization that their position was much different than other white colonials in Africa.

...we have no option of a colonial withdrawal. The others could cling to their privileges until time ran out, then cut and run. Here we are eyeball to eyeball with reality: we know that we must either do a deal or fight and die in a last-ditch stand. That tends to concentrate the mind."<sup>16</sup>

It is hoped that Frederik de Klerk can break with the past and a conservative, legalist background; and provide the leadership for change in much the same manner as have Abraham Lincoln, Harry Truman and most recently Mikhail Gorbachev. Each have risen to the occasion, exceeding expectations with what others thought were only ordinary abilities. There is a strong parallel between the situations of Gorbachev and de Klerk. In fact, David Owen, former British foreign secretary, referred to de Klerk as the, "...Gorbachev of southern Africa."<sup>17</sup> Both were considered unimaginative, loyal party men; methodically executing the instructions of their respective parties. Now, they are both shaking their societies, though vastly different, from top to bottom and both are driven by stagnant and deteriorating economies. They are both turning away from state supported enterprise and opening their respective political systems.<sup>18</sup>

The reason for change differs between the men. Gorbachev's reforms apparently come from his personal views. De Klerk's are the result of policy changes agreed upon within the National Party leadership. De Klerk was known as a verkrampte, a die-hard

Afrikaner; never a progressive. His shift, while it caused the right wing to rush to the Conservative Party, allied the National Party with the liberal Democratic Party giving de Klerk the support of almost 70 per cent of the white population.<sup>19</sup>

De Klerk is no doubt motivated by events in Eastern Europe and the memory and example of Zimbabwe (Rhodesia). De Klerk stated in regard to Zimbabwe:

When the opportunity was there for real, constructive negotiations it was not grasped... It went wrong because in the reality of the circumstances they waited too long before engaging in fundamental negotiations and dialogue. We must not make that mistake, and we are determined not to make that mistake.<sup>20</sup>

But as with Gorbachev, de Klerk must balance the rate of change with maintaining majority support in order for the transition to succeed. Kaunda believes as a result of their meetings that de Klerk is a sincere and honest man, but Kaunda is unsure if he is strong enough to lead South Africa out of the dilemma.

#### THE AFRICAN NATIONAL CONGRESS (ANC)

The ANC, formed in 1912, is the oldest nationalist movement in sub-Saharan Africa. It was initially characterized as moderate and peaceful, and remained so until the National Party came to power in 1948 with its formalized declaration of apartheid. The change was gradual as they moved to mass action in the form of civil disobedience, boycotts and strikes.<sup>21</sup>

The "Defiance Campaign" of 1952 was the first nationwide challenge to white supremacy and included both blacks and

Indians. While it did not come close to bringing about a general strike, the 8,000 people who went to jail provided the spark that caused the ANC to grow from 20,000 to 100,000 in less than a year. Unplanned violence and the prosecution of ANC leaders in late 1952 quickly took the fire out of the strike action.<sup>22</sup>

The joining of the ANC, the South African Indian Congress, the South African Congress of Democrats, and the Coloured People's Congress in 1955 to proclaim the Freedom Charter demonstrated the multiracial breath of resistance to the policy of apartheid.

The views of the ANC did not represent all black South Africans. The Pan Africanist Congress (PAC) evolved out of a group of young men who felt the ANC was too passive and desired a "black only" confrontational approach. It was a PAC rally in Sharpeville, called to turn in passes in opposition to Pass Laws, that marked a major turning point in the anti-apartheid struggle. PAC President, Robert Sobukwe, called for a sustained, disciplined, non-violent campaign. Several thousand people gathered to march to a police station with every intent of obeying Sobukwe's edict. The police, surprised at the size of the gathering, panicked; and opened fire on the crowd killing 67 and wounding another 186.<sup>23</sup>

The Sharpeville massacre and the events of the following three weeks resulted in the government declaring a state of emergency, arresting over 1,500 black leaders and declaring the ANC and PAC illegal organizations. Thus, peaceful protest was ended and the ANC, unable to operate legally, formed a military

wing called "Umkhonto we Sizwe" (Zulu for Spear of the Nation).<sup>24</sup> The ANC President, Nelson Mandela, explained at his trial in 1964 that the decision to resort to violence was their last resort because all legal methods of dissent had been shut down and "(When) the government resort(ed) to a show of force to crush its (ANC) policies, only then did we decide to answer violence with violence."<sup>25</sup>

The leaders of Umkhonto were captured in a white suburb of Johannesburg called Rivonia. In June of 1964 Nelson Mandela, Walter Sisulu and Govan Mbeki were convicted and sentenced to life imprisonment and began their long stay at Robben Island near Cape Town. With ANC leadership in jail or in exile and the rank and file demoralized, a period of quiet and inactivity set in. The crackdown had achieved its objective, unfortunately providing an example which whites repeatedly used in later years.

The movement lay largely dormant through the 1960s. Some African and Indian students unhappy with a mixed race anti-government organization called the National Union of South African Students, organized the South African Students' Organization (SASO) in December 1968 under the leadership of a young medical student, Steve Biko. Influenced by African intellectuals and black Americans, SASO developed the "Black Consciousness" movement which called for self-definition, self-reliance and black pride. Their slogan, "Black man, you are on your own," captured the essence of the movement. It filled the vacuum left by the banning of the ANC and PAC. SASO viewed



racial polarization and confrontation as necessary to accomplish their goals of full citizenship and majority rule. Biko would die of police brutality in 1977 while in custody.<sup>26</sup>

The black labor movement in the 1970s also began to reassert its power. A group in Durban unexpectedly went out on strike and the unrest spread as 61,000 workers supported the strike in the first three months of 1973. During the 1960s only about 2,000 black workers had gone out on strike each year. This was the beginning of what today are immensely powerful black unions, whose views cannot be ignored as black and white strive for a settlement.

Black anger, long suppressed, erupted again in June 1976 when school children marched in protest to the government requirement that the Afrikaans language be used in black secondary schools. The spontaneous demonstrations ended with police killing 4 students, which commenced months of violence in which 700 people died.<sup>27</sup> The government, drawing on their experience after Sharpeville in 1960, responded with arrests and detentions designed to intimidate. It was in this wave of detentions that Biko died and SASO was banned.

Unlike the passive response following the Sharpeville repressions of 1960, the crackdown was met with an increase in frequency and intensity of black protest. The cry became, "Don't mourn - mobilize."<sup>28</sup> New organizations were formed across the spectrum. Organizations like Congress of South African Students, the Azanian Peoples Organization (AZAPO), the Soweto Civic

Association, the Black Lawyers' Association; not to mention an expanding number of black trade unions.

The mood had changed. Rather than a lull in activity as followed Sharpeville, the period after Soweto was marked with growing radicalism and the formation of underground organizations. A large number of young blacks went into exile and began guerrilla training.

1980 brought Zimbabwean independence and meant that South Africa was encircled by neighbors who, if not openly hostile, were at least sympathetic to the black liberation movement. The 6,000 plus young men who went into exile following the Soweto riots were in ANC training camps in Angola or were going to school in Tanzania. An external threat was developing for South Africa that could not be ignored. Pretoria was forced to look at its defense in a regional, extra-territorial context as opposed to the traditional efforts at maintaining internal control and order.<sup>29</sup>

Ironically, the next incident that caused upheaval and rioting was a move toward liberalization by P. W. Botha in 1983. The conflict concerned the new constitution that called for the formation of a tricameral parliament which included separate houses of the legislature for the Asians and the Coloureds. The effort, as mentioned before, was designed to coopt the Asians and the Coloureds; and not surprisingly greatly angered blacks. The constitution was approved by 66 per cent of the white electorate, but placed the government under fire from both the left and the

right. White conservatives claimed too much had been given up. White liberals and blacks felt the exclusion of blacks was unexcusable.

The new constitution did provide the impetus for the formation of the United Democratic Front (UDF), a multiracial, national alliance composed of over 400 (now 700) different trade union, civic, church and political groups. The UDF failed to defeat the new constitution, but did lead a successful campaign to limit black participation in the December 1983 elections for new township councils. Despite efforts by the government to disrupt and intimidate the UDF leadership, it has remained intact and functioned as the ANC's operative within South Africa maintaining close contact with ANC leadership abroad and with those in prison.<sup>30</sup>

Lingering violence from the 1983 constitutional conflict resulted in the deaths of 2,500 blacks causing the government to declare a state of emergency in 36 of the country's 265 magisterial districts, the first such action since 1960. Press coverage and widespread arrests brought considerable international attention which ultimately resulted in the imposition of sanctions by many nations. The July 1985 State of Emergency was rescinded in March of 1986, and reimposed in June 1986, over the objection of the Coloured and Indian Houses of Parliament.<sup>31</sup> That state of emergency, predicted to have been lifted in February 1990, remains in effect today.

### TALKS ABOUT TALKS

The release of Nelson Mandela on Sunday, 11 February 1990 after twenty-seven years in prison signaled a new hope for political equality for blacks in South Africa. Much of the hope for successful resolution of the problem comes from an apparent respect that Mandela and de Klerk acquired for each other during their meetings at Victor Verster Prison and in Cape Town. Working against them both is the fact that they are each supported by a constituency that spans the spectrum of political positions.

Mandela, son of a Tembu chief (Xhosa), went to prison when John F. Kennedy was President and Leonid Brezhnev was the leader of the Soviet Union. While he is a living symbol of black liberation and has maintained contact with virtually every faction during his imprisonment, it is uncertain if he commands the necessary unity to speak for all black South Africans. Walter Sisulu, ANC leader and compatriot of Mandela acknowledged, "It's not easy for us to sit down and negotiate. The problem is that many youngsters are not really interested in negotiations."<sup>32</sup>

While in South Africa in February 1990 just prior to Mandela's release, I was told by several American Embassy officials and South African businessmen that while there was some fear of white extremists trying to kill Mandela, the real worry

was from black extremists. The thought was that Mandela's value to the struggle was as a highly visible prisoner. Out of prison he was merely an old man lacking the energy to lead a real struggle. His assassination could be blamed on whites, and may provide the spark to touch off a popular uprising.

The ANC has functioned for years with collective leadership under the National Executive Committee and the nominal leadership of President Oliver R. Tambo.<sup>33</sup> Tambo is still suffering the affects of a stroke in Stockholm, Sweden. The ANC's delay in providing an official response after Mandela's release was the sheer difficulty in contacting the dispersed members of the Executive Council and agreeing on a unified position. It has become increasingly clear that someone needs to be singularly in charge.

Tambo's stroke of 1989 resulted in a power struggle largely along generational and ideological lines. Some of the young lions, who wondered if Mandela had the energy to lead, also questioned his ideological leanings. While the ANC enjoys primacy, there are other black organizations who generally support the ANC, but fall far short of completely accepting their leadership. The PAC seems to support negotiations, but some of their more radical members still support, "One settler, one bullet."<sup>34</sup> The PAC is regarded by many black South Africans as an organization that is highly vocal, but reluctant to take action. Their lack of visible participation in the armed struggle, however ineffective, is regarded as a lack of

commitment.

Inkatha, a Zulu cultural organization formed in 1928 and now lead by Chief Mangosuthu G. Buthelezi, claims to represent the six to seven million Zulus in Natal and is determined to play a role in the settlement. Separately, they represent the largest single tribal grouping in all of South Africa and amount to over 15 per cent of the population. Many observers wonder if they will accept the leadership of a non-Zulu like Mandela. Still others say the cause of violence in Natal is that young, urban Zulus reject Inkatha and support the ANC; raising the question of how many people Buthelezi really represents.

The trade unions say quietly that while ANC leaders lived in relative ease in exile, it is they who carried on the internal struggle. Cyril Ramaphosa, General Secretary of National Union of Mine Workers, gives every indication that he intends to be a force in the new South Africa.<sup>35</sup> The Congress of South African Trade Unions (COSATU), which represents 36 unions and 600,000 members, also commands considerable allegiance. There is great concern that as the goal of freedom draws closer, various groups are moving to position themselves to avoid being excluded from obtaining a share of the spoils in post-apartheid South Africa.

The South African Government had hoped to balance the more radical ANC with the nominal leaders of the homelands created under Prime Minister Hendrik Verwoerd's "grand apartheid". No real support ever emerged for the homelands; but still the government has been surprised as military officers have seized

control in three homelands, and six of the remaining seven leaders are holding on through threats of South African intervention. Even the direction the coup leaders will take is uncertain. Will they move for the greater good of their people or for their own personal aggrandizement?<sup>36</sup>

De Klerk is faced with a small right wing band of extremists favoring partition and a separate white state. He is also being charged as being soft on law and order.<sup>37</sup> Meanwhile there is evidence that some whites are forming vigilante committees and arming themselves for a war they feel is inevitable. If de Klerk institutes a mass crackdown to the violence, he risks a black response that may delay talks and cause stiffer sanctions from abroad. If he does nothing, whites will charge he cannot maintain law and order. The continuing violence in Natal, apparently instigated by Buthelezi, undermines both de Klerk and Mandela. De Klerk for not being able to maintain law and order, and Mandela for not having the authority to prevent blacks from terrorizing other blacks. A significant portion of the initial meetings between the government and the ANC on the 2nd, 3rd and 4th of May dealt with control of that violence.

Blacks remain suspicious of de Klerk, and the majority of whites are fearful in regards to their safety and the overall economy. Cyril Ramaphosa is skeptical of de Klerk's vision for settlement.

If you go by de Klerk's formula, the white sector will remain intact as a group, whether it be Afrikaner, Jew or Portuguese. But Black people will be subdivided into neat little ethnic compartments, so that ultimately the whites

will retain power, irrespective of our wishes.<sup>38</sup>

Many South African blacks are waiting to see what happens with negotiations, but are for the most part, encouraged by de Klerk's limited concessions. They are taking the approach advocated in the "Lusaka Manifesto" of 1969, which advocated negotiations over violence, even if change in the end takes longer.<sup>39</sup>

Many white South Africans carry the burden of a basic belief which will delay, if not wholly impede, the negotiations process. Group rights is a concept that was adopted and has been held since the first whites arrived to settle. It is also strikingly similar to the concept of tribal rights often held and practiced by blacks. Dr. Ed Dorn, Deputy Director of Research for the Joint Center for Political and Economic Studies, captured the essence in a trip report he submitted upon return from South Africa in August 1989.

This situation is made more intractable by the fact that the Western conception of "rights" is alien to South Africa. The politically dominant Afrikaners are descendants of people who began migrating from Holland in the mid-17th century, before Enlightenment philosophers such as Rousseau gave rise to ideas of natural rights and individual liberty. Thus, the traditional Afrikaner view is more African than European: rights vest in the family or in tribal groups, not in individuals. Afrikaner political leaders' insistence on preserving "group rights" is an obvious and self-serving ploy to protect themselves from majority (black) rule; but it also reflects a world view that predates contemporary Western thought.<sup>40</sup>

There is little doubt that some form of group recognition will be involved in the final settlement, even if only during the transitional period.



Daily there are newspaper reports redefining and interpreting the positions of the ANC and that of the South African Government. In reality, negotiations have been going on for a long period. The first negotiations were talks by a group of businessmen lead by Gavin Relly of Anglo American at Lusaka in 1985. The Institute for a Democratic Alternative in South Africa (IDASA) sponsored another such meeting at Dakar in 1987.<sup>41</sup>

Mandela has himself set the stage for more formal meetings by meeting with Botha in July 1989 and repeatedly with de Klerk just prior to his release from prison in February 1990. It should not be surprising that the meeting of May 2, 3, and 4, 1990; went so smoothly. Preconditions for the meeting had been established long ago.

The news makes much about the demands of both sides and makes claims with a precision that is impossible, as to whether the opposing sides are intransigent or moving toward compromise. William Raspberry put the comments of de Klerk and Mandela and their respective constituencies in their proper perspective when he speculated that the pronouncements about group rights and violence are in reality positioning for the more meaningful talks that are to take place in the future. Raspberry also stated, "The most hopeful sign that peaceful change was about to happen has been the manifest respect de Klerk and Mandela hold for one another."<sup>42</sup>

There is little doubt that negotiations and the attendant transfer or sharing of power will take place over several years.

The transition of Zimbabwe took a full ten years. Both de Klerk and Mandela have expressed a desire to submit agreements on major issues to their constituents for approval which also could take considerable time. Blacks do not even possess a framework for voting. With the homeland leaders now largely excluded from the talks, it appears that the ANC will make the deals and the other black leaders will ratify what the ANC has already agreed to. That should reduce the duration of the negotiations. The negotiations will likely be quiet and secretive to avoid the appearance that de Klerk is giving in and giving up too much. Majority white support is a must.

The greatest difficulties will occur under the heading of the distribution of economic wealth and opportunities. It appears that nationalization of industries as was called for previously, will not occur. However, the settlement must provide for a greatly improved education system and a process to encourage black entrepreneurs and land holding. The final agreement must provide the disenfranchised black majority with political justice and economic opportunity, while providing for the white minority's concerns for the future.<sup>43</sup>

1. Cohen, p. 8.
2. Aggrey Klaaste, "Good Chemistry", Leadership, Vol. 8, No. 8, October 1989, p. 52.
3. Hugh Murray, "Looking for a Joshua", Leadership, Vol. 8, No. 8, October 1989, pp. 13-14.
4. Mark Swilling, "Reform, Security and White Power in South Africa: Quo Vadis?", Southern Africa Policy Forum, June 1989, p. 17.
5. Ibid.
6. Story, p. 13.
7. U.S., Department of State, A U.S. Policy Toward South Africa, p. 26.
8. Swilling, p. 19.
9. Paul Bell, "Feeling the Way", Leadership, Vol. 8, No. 9, November 1989, p. 18.
10. Allister Sparks, "S. Africa's de Klerk: The Last of His Kind", The Washington Post, 20 August 1989, pp. A19-A20.
11. Ibid., p. A20.
12. Ibid.
13. Ibid.
14. Interview with John C. Hall, Executive Director of Barlow Rand Limited in Sandton, Republic of South Africa, 2 February 1990.
15. Allister Sparks, "White Shift Toward Left in S. Africa", The Washington Post, 8 September 1989, p. A25.
16. Ibid., p. A30.
17. Ottoway, "De Klerk: The Pathfinder", A54.
18. Ibid., pp. A1 and A54.
19. Ibid., p. A54.

20. Ibid.
21. U.S., Department of State, A U.S. Policy Toward South Africa, p. 24.
22. South Africa: Time Running Out, Berkeley: University of California Press, 1986, p. 171.
23. Ibid., p. 173.
24. U.S., Department of State, A U.S. Policy Toward South Africa, p. 25.
25. Ibid.
26. South Africa: Time Running Out, p. 177.
27. U.S., Department of State, A U.S. Policy Toward South Africa, p. 26.
28. South Africa: Time Running Out, p. 184.
29. U.S., Department of State, A U.S. Policy Toward South Africa, p. 26.
30. Ibid., p. 27.
31. Ibid., p. 22.
32. Holland, p. 42.
33. Cyril Ramaphosa, "Party Piece", Leadership, Vol. 8, No. 9, November 1989, p. 28.
34. "Mandela and De Klerk Under Fire", U.S. News and World Report, 26 March 1990, p. 42.
35. Ramaphosa, p. 20.
36. David B. Ottaway, "S. African Homeland System Shaken - But Not Toppled - by Turmoil", Washington Post, 16 April 1990, A17 and A22.
37. "Mandela and De Klerk Under Fire", U.S. News and World Report, p. 42.
38. Ramaphosa, p. 22.
39. U.S., Department of State, A U.S. Policy Toward South Africa, p. 35.

40. Dr. Edwin Dorn, "South Africa Trip Report to the Joint Center for Political and Economic Studies by the Deputy Director for Research", August 1989.

41. Bell, p. 17.

42. William Raspberry, "De Klerks Regression", Washington Post, 18 April 1990, p. A27.

43. U.S., Department of State, A U.S. Policy Toward South Africa, p. 9.

## CHAPTER VII

### CONCLUSIONS AND RECOMMENDATIONS

South Africa is poised for change that was previously thought possible only through armed revolution. Providence has provided South Africa with two unique and capable men who have the ability to put the memories of a bitter struggle in perspective and move forward to build a new South Africa void of apartheid. Prejudice will always remain for some, but the majority can move forward. The United States and her allies should now take every reasonable action to assure a negotiated settlement that assures the establishment of a non-racial South Africa is achieved.

### CONCLUSION

South Africa's dominance as a regional power, both economically and militarily, cannot be debated. That dominance is built on what most knowledgeable observers suggest is the single greatest storehouse of minerals in the world. While the Soviet Union has access to many of the same minerals, they are much more widely spread and generally lack the purity and the

concentration of South Africa's resources. Those minerals provide great wealth, but they also create a worrisome vulnerability. Vulnerability to unified international sanctions or worldwide depression. Unified international sanctions in opposition to apartheid have caused strategic thinkers and businessmen to ponder the options should South Africa become totally sanctioned.

Apartheid was not formally adopted as a government policy until 1948. However, white dominance and conduct enforced a "separateness" from the time of the earliest settlers. The first constitution in 1910, though heavily influenced by Great Britain, denied blacks the right to sit in parliament. Numerous laws were subsequently enacted through the years to secure the white position. "Petty apartheid" provided for the rigid segregation of housing, education and social activities. "Grand apartheid" was a concept to place the various black groups in designated homelands, much as the Americans did to the Indians.

White confidence in the security and survival of apartheid began to be challenged in the 1970s. Dissatisfied blacks began to demonstrate and the African National Congress (ANC) established Umkhonto we Sizwe to pursue an armed overthrow of the white government. The increased resistance, coupled with the abrupt collapse of the Portuguese empire, caused many white South Africans to doubt the longevity of apartheid. Businessmen were the first to realize that the labor policies of apartheid denied South Africa a trained, stable, labor force. Economic

need and increasing violence led the South African Government under P. W. Botha to enact a series of minor reforms in the late 1970s and early 1980s. Despite those changes, black resistance intensified because no real progress was made on the primary issue; equality under the law.

South Africa's reluctance to grant meaningful participation to blacks and their often violent repression caused the international community to begin a somewhat unified approach in the mid-1980s. Action by the European Economic Community, the British Commonwealth and finally, the United States helped convince white leadership that South Africa must change to prosper. While sanctions often receive much of the credit for the changing white attitudes in South Africa, many events conspired to undermine the economy. Severe drought, the dramatic drop in gold prices, unwise fiscal policy, worldwide recession, the increased costs of containing internal dissent, and monies spent on securing her borders all contributed to higher prices, double digit inflation and increased unemployment.

Financial sanctions proved the most damaging and effective of the sanctions. The denial of Chase Manhattan Bank to rollover loans in 1985 brought the South African financial establishment to a standstill and caused a major restructuring of the economy. Financial sanctions imposed by major economic powers like the United States were too disruptive to be ignored, or easily compensated for.

On May 1, 1990 Charles Becker, representing the Investor



Responsibility Research Center, released a comprehensive study of the South African economy that concluded that major damage occurred to the economy as the result of attempts to avoid the impact of sanctions. Becker estimated the cost at between \$15 and \$27 billion and resulted in 25 to 40 per cent less growth in the economy than would have normally occurred. Growth that will never be compensated for. In short, avoiding the sanctions was more detrimental to the South African economy than the unfettered sanctions would have been.

Sanctions have been the focus of media attention and much public debate. There is little doubt that comprehensive sanctions would have been invoked against South Africa long ago, were it not for America's dependence for strategic and critical materials. The extent of that dependence is portrayed in the Bureau of Mines graph on Page 131. The United States is dependent to a significant degree upon South African minerals critical to national defense and to the commercial viability of many US firms. Even the most radical Congressional opponents of apartheid include an exemption for strategic and critical materials, attesting to US dependence.

From the defense standpoint, the National Defense Stockpile would permit the United States to prosecute military action for the projected three year, national emergency period. Shortfalls could be made up through: (1) confiscating existing commercial stocks, (2) purchase of materials at a premium, (3) mobilization of recycling capabilities and, (4) mining production of known

mineral deposits within the United States. The cost would be very high, but in the battle for national survival any price is acceptable.

In a situation short of a national emergency in which strategic and critical materials are interrupted, US commercial firms forecast disaster. There is little doubt that converting US industrial processes to use alternative materials or using substitutes would be costly, in addition to causing some product degradation. If US competitors retain access to South African materials, we would be priced out of many markets. If, however, US competitors (West Germany, Japan, Great Britain) are also denied materials, the US could well achieve a competitive price advantage. That advantage would come from exploiting raw materials located within the United States that are currently unprofitable to produce. Congressional action is the only conceivable way US industry would unilaterally be deprived of South African materials.

It was Congressional action that dealt the death blow to the Reagan Administration's policy of "constructive engagement". The Comprehensive Anti-Apartheid Act of 1986 (CAAA) was passed, over presidential veto, at an opportune time to induce a change in policy direction by the South African Government. Economic decline, in conjunction with the United States enacting the strongest sanctions of any major power and continued black resistance set the stage for Botha's departure and de Klerk's assumption of power.

In retrospect, de Klerk was an excellent choice to head a government of conciliation because of his strong, conservative, Afrikaner background. There is a direct comparison between de Klerk negotiating with the ANC and Richard Nixon establishing diplomatic relations with Communist China. Only a strong anti-communist like Nixon could have survived the scrutiny. Likewise, the majority of whites have confidence that de Klerk will provide constitutional protections for the white community in a black South Africa. The support of a white majority is essential to success in negotiations.

Likewise, Nelson Mandela is the only black leader with sufficient stature to unify the majority of black groups and speak for them all. His wisdom and pragmatism, resulting from his long struggle and many years in prison, has taught him that politics is the art of the possible. He recognizes that negotiations will be a piecemeal affair where all objectives are not achieved at once. Like eating the elephant, it must be done one bite at a time.

#### POLICY RECOMMENDATIONS

Success or failure in the current negotiations between the Government of South Africa and the ANC is, not surprisingly, in their hands. Progress must be rapid enough to reassure the majority of black South Africans that they are on the road to equality under the law. But, it must be paced so that de Klerk

and the National Party will not lose majority white support. The basic agreement must be completed and implemented prior to the 1994 parliamentary elections to prevent conservative whites gaining greater input into the terms of the solution. There are three things the United States can do to aid in consummating an agreement and they are fully in concert with the Bush policy enunciated by the State Department in September 1989.

First, the United States Government must do everything possible to enhance and strengthen the leadership positions of both Mandela and de Klerk. President Bush's invitation for both to visit the United States does much to enhance their positions; particularly de Klerk. Randall Robinson's recent criticism of the invitation to de Klerk and of de Klerk meeting President Bush prior to Mandela is petty and contributes nothing.<sup>1</sup> Robinson needs to keep his focus on the objective and cease being an obstructionist and perennial heckler.

Second, the Administration and the Congress need to jointly review the sanctions currently in effect and decide on a phased approach which rewards de Klerk for each step he takes toward a non-racial South Africa. That approach permits de Klerk to retain needed white support as he makes concessions to the ANC. The all or nothing approach in the CAAA is now counter productive. That review should also examine the effects of specific sanctions and those that are not constructive should be abandoned or given for rewards for progress. The agricultural products sanction appears to be damaging black earnings at twice

the rate of the whites. Therefore, the lifting of agricultural sanctions for positive steps at once encourages the government to move forward, while it improves the economic lot of significantly more blacks than it does whites. Once the Bush Administration and the Congress have decided on specific rewards for specific acts, that position should be presented to the international community so that response to government concessions can be both prompt and universal.

Finally, the United States must commit funds and encourage US industry to support black South African education and economic development. While South Africa has many more educated blacks than other African nations at time of independence, they are still woefully lacking. The effects of these efforts will not be evident in one year or in five years. The projects are for the long term, twenty to thirty years into the future. Likewise, the Government of South Africa must be encouraged in the strongest possible way to include programs for black education, land ownership and economic development in the negotiated settlement. Economic opportunity for blacks must play a key role in all plans for the future.

The current negotiations represent the best hope for a peaceful settlement that will leave South Africa intact socially and economically. Should either de Klerk or Mandela lose their mandate, or succumb to illness, the next negotiations will be after a long civil war in which much of what is strong and good about South Africa will have been destroyed.

1. David Hoffman, "S. African President to Precede Mandela",  
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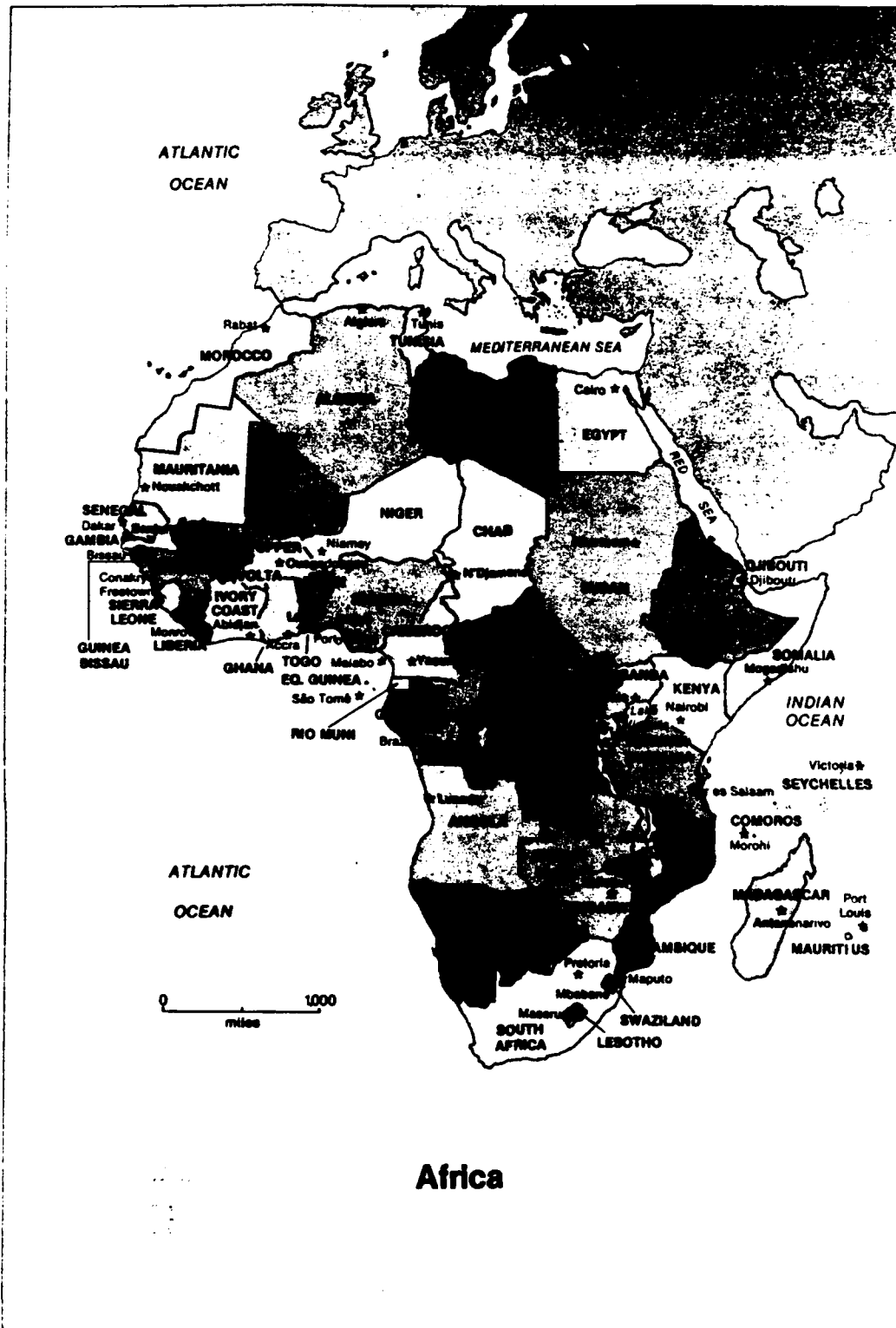
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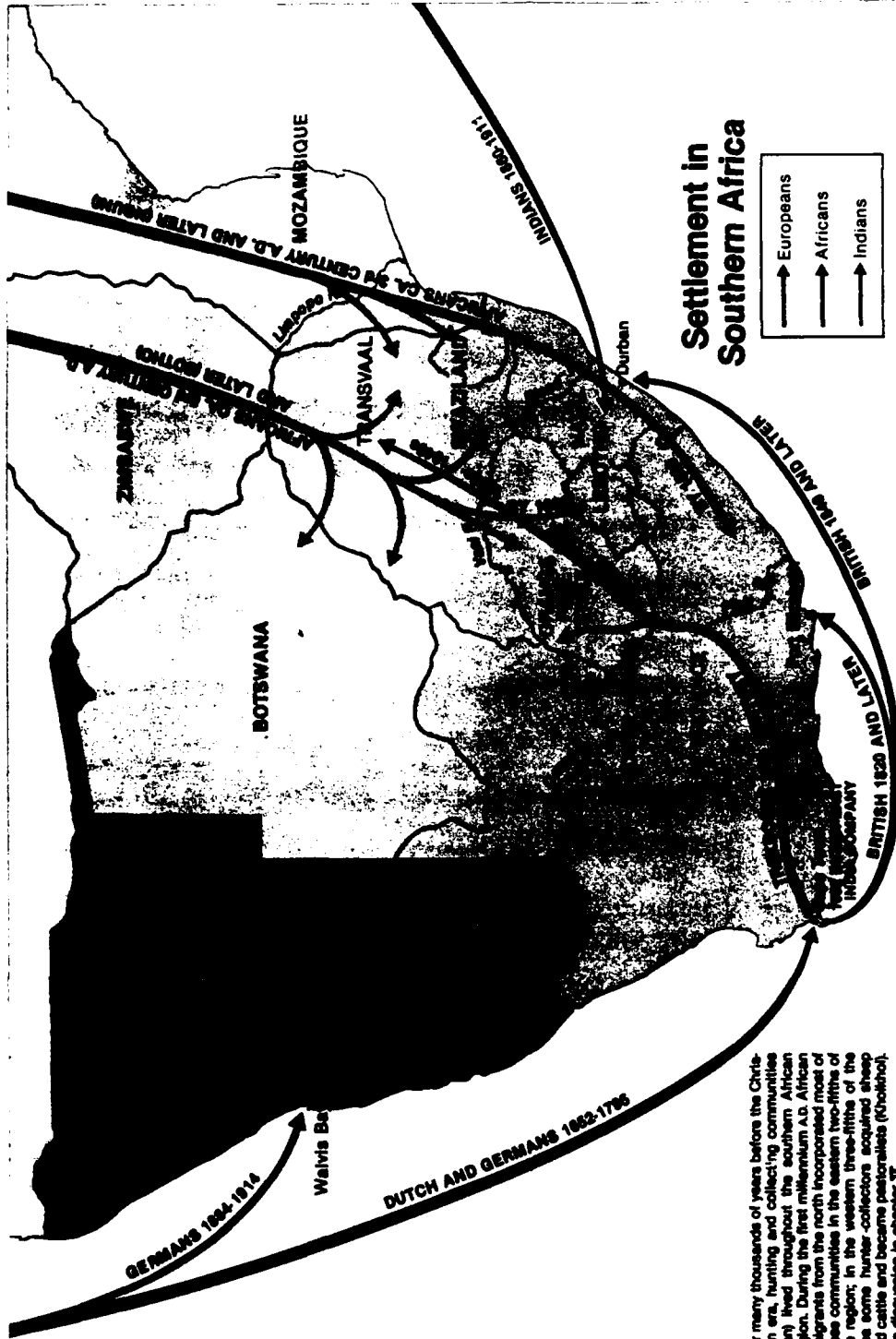
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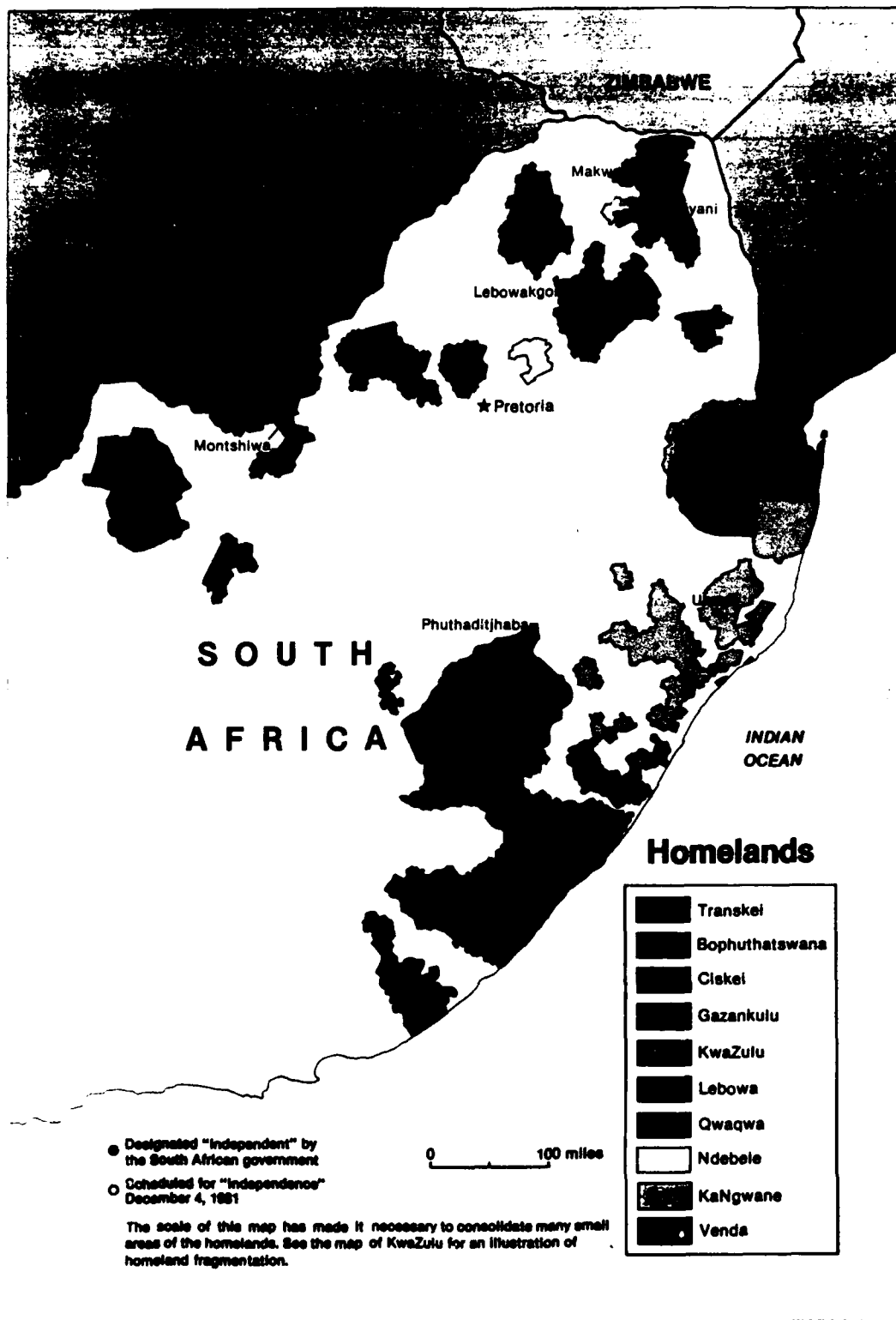
**APPENDIX**







For many thousands of years before the Christian era, hunting and collecting communities (San) lived throughout the southern African region. During the first millennium A.D. African emigrants from the north incorporated most of these communities in the eastern two-fifths of the region; in the western three-fifths of the area some hunter collectors acquired sheep and cattle and became pastoralists (Khoikhoi). See discussion in chapter III.



**1989 NET IMPORT RELIANCE  
SELECTED NONFUEL MINERAL MATERIALS**

**U.S.A.**

**MAJOR SOURCES (1985-1988)**

|   |     |  |
|---|-----|--|
| ARSENIC   | 100 | France, Sweden, Mexico, Canada                     |
| CESIUM  | 100 | Canada, Fed. Rep. of Germany                       |
| COLUMBIUM <small>(niobium)</small>                  | 100 | Brazil, Canada, Thailand                           |
| MANGANESE   | 100 | Rep. of South Africa, Gabon, France                |
| MICA <small>(sheet)</small>                         | 100 | India, Belgium, France, Japan                      |
| RUBIDIUM  | 100 | Canada   |
| STRONTIUM <small>(celestite)</small>                | 100 | Mexico, Spain                                      |
| THALLIUM  | 100 | Bel.-Lux., U.K., Fed. Rep. of Germany, France      |
| GEM STONES <small>(natural &amp; synthetic)</small> | 99  | Belgium, Israel, India, Rep. of South Africa       |
| BAUXITE & ALUMINA                                   | 97  | Australia, Guinea, Jamaica, Suriname               |
| DIAMOND <small>(industrial stones)</small>          | 95  | Ireland, U.K., Rep. of South Africa, Zaire         |
| PLATINUM-GROUP METALS                               | 94  | Rep. of South Africa, U.K., U.S.S.R.               |
| FLUORSPAR   | 91  | Mexico, Rep. of South Africa, China, Spain         |
| COBALT  | 86  | Zaire, Zambia, Canada, Norway                      |
| TANTALUM  | 85  | Thailand, Brazil, Canada, Australia                |
| CHROMIUM  | 79  | Rep. of South Africa, Turkey, Zimbabwe, Yugoslavia |
| BARITE  | 77  | China, India, Morocco                              |
| TIN   | 73  | Brazil, China, Indonesia, Malaysia                 |
| TUNGSTEN  | 73  | China, Bolivia, Fed. Rep. of Germany, Canada       |
| POTASH  | 72  | Canada, Israel, U.S.S.R., German Dem. Rep.         |
| ASBESTOS  | 65  | Canada, Rep. of South Africa                       |
| NICKEL  | 65  | Canada, Norway, Australia, Dominican Republic      |
| ZINC  | 61  | Canada, Mexico, Spain, Peru                        |
| ANTIMONY  | 60  | China, Rep. of South Africa, Mexico, Hong Kong     |
| SELENIUM  | 59  | Canada, U.K., Japan, Bel.-Lux.                     |
| CADMIUM   | 56  | Canada, Australia, Mexico, Fed. Rep. of Germany    |
| IODINE  | 56  | Japan, Chile                                       |
| STONE <small>(dimension)</small>                    | 48  | Italy, Spain, Canada, Taiwan                       |
| PUMICE & PUMICITE                                   | 43  | Greece, Italy                                      |
| PEAT  | 41  | Canada   |
| GYPSUM  | 37  | Canada, Mexico, Spain                              |
| BERYLLIUM   | 23  | Brazil, China, France, Rep. of South Africa        |
| SILICON   | 23  | Brazil, Canada, Norway, Venezuela                  |
| QUARTZ CRYSTAL <small>(industrial)</small>          | 22  | Brazil, Namibia                                    |
| IRON ORE  | 20  | Canada, Brazil, Venezuela, Liberia                 |
| MAGNESIUM COMPOUNDS                                 | 20  | Greece, China, Canada, Ireland                     |
| CEMENT  | 17  | Mexico, Canada, Spain, Greece                      |
| SODIUM SULFATE                                      | 16  | Canada, Mexico                                     |
| NITROGEN  | 14  | Canada, U.S.S.R., Trinidad & Tobago, Mexico        |
| IRON & STEEL  | 13  | EC, Japan, Canada, Rep. of Korea                   |
| ZIRCONIUM   | 13  | Australia, Rep. of South Africa, Argentina, Canada |
| COPPER  | 9   | Canada, Chile, Peru, Zaire                         |
| LEAD  | 8   | Canada, Mexico, Australia, Peru                    |
| SALT  | 8   | Canada, Mexico, Bahamas, Chile                     |
| SULFUR  | 8   | Canada, Mexico                                     |

**1989 NET IMPORT RELIANCE  
SELECTED NONFUEL MINERAL MATERIALS**

**U.S.S.R.**

**MAJOR SOURCES**

|                                  |    |                                      |
|----------------------------------|----|--------------------------------------|
| ARSENIC                          | 0  |                                      |
| CESIUM                           | 0  |                                      |
| COLUMBIUM (niobium)              | 0  |                                      |
| MANGANESE                        | 0  |                                      |
| MICA (sheet)                     | 10 | India                                |
| RUBIDIUM                         | 0  |                                      |
| STRONTIUM (celestite)            | 0  |                                      |
| THALLIUM                         | 0  |                                      |
| GEM STONES (natural & synthetic) | 0  |                                      |
| BAUXITE & ALUMINA                | 60 | Guinea, Hungary, Jamaica, Yugo.      |
| DIAMOND (industrial stones)      | 0  |                                      |
| PLATINUM-GROUP METALS            | 0  |                                      |
| FLUORSPAR                        | 67 | Mongolia<br>Cuba, Zaire              |
| COBALT                           | 44 |                                      |
| TANTALUM                         | 0  |                                      |
| CHROMIUM                         | 0  |                                      |
| BARITE                           | 43 | Turkey, N. Korea, Bulgaria           |
| TIN                              | 38 | U.K., Malaysia, Indonesia, Singapore |
| TUNGSTEN                         | 43 | China                                |
| POTASH                           | 0  |                                      |
| ASBESTOS                         | 0  |                                      |
| NICKEL                           | 0  |                                      |
| ZINC                             | 0  |                                      |
| ANTIMONY                         | 0  |                                      |
| SELENIUM                         | 0  |                                      |
| CADMIUM                          | 0  |                                      |
| IODINE                           | 0  |                                      |
| STONE (dimension)                | 0  |                                      |
| PUMICE & PUMICITE                | 0  |                                      |
| PEAT                             | 0  |                                      |
| GYPSUM                           | 0  |                                      |
| BERYLLIUM                        | 0  |                                      |
| SILICON                          | 0  |                                      |
| QUARTZ CRYSTAL (industrial)      | 0  |                                      |
| IRON ORE                         | 0  |                                      |
| MAGNESIUM COMPOUNDS              | 0  |                                      |
| CEMENT                           | 0  |                                      |
| SODIUM SULFATE                   | 0  |                                      |
| NITROGEN                         | 0  |                                      |
| IRON & STEEL (high quality)      | 1  | Europe, Japan                        |
| ZIRCONIUM                        | 0  |                                      |
| COPPER                           | 0  |                                      |
| LEAD                             | 1  |                                      |
| SALT                             | 0  |                                      |
| SULFUR                           | 7  | Poland                               |
| MOLYBDENUM                       | 9  | Mongolia                             |
| PHOSPHATES                       | 0  |                                      |

**1988 NET IMPORT RELIANCE  
SELECTED NONFUEL MINERAL MATERIALS**

**E.E.C**

**JAPAN**

ARSENIC  
 CESIUM  
 COLUMBIUM (Niobium)  
 MANGANESE  
 MICA (sheet)  
 RUBIDIUM  
 STRONTIUM (celestite)  
 THALLIUM  
 GEM STONES (natural & synthetic)  
 BAUXITE & ALUMINA  
 DIAMOND (industrial stones)  
 PLATINUM-GROUP METALS  
 FLUORSPAR  
 COBALT  
 TANTALUM  
 CHROMIUM  
 BARITE  
 TIN  
 TUNGSTEN  
 POTASH  
 ASBESTOS  
 NICKEL  
 ZINC  
 ANTIMONY  
 SELENIUM  
 CADMIUM  
 IODINE  
 STONE (dimension)  
 PUMICE & PUMICITE  
 PEAT  
 GYPSUM  
 BERYLLIUM  
 SILICON  
 QUARTZ CRYSTAL (industrial)  
 IRON ORE  
 MAGNESIUM COMPOUNDS  
 CEMENT  
 SODIUM SULFATE  
 NITROGEN  
 IRON & STEEL  
 ZIRCONIUM  
 COPPER  
 LEAD  
 SALT  
 SULFUR  
 MOLYBDENUM  
 PHOSPHATES

|     |
|-----|
| 20  |
| 60  |
| 100 |
| 99  |
| 100 |
| 60  |
| 8   |
| 0   |
| 100 |
| 55  |
| 100 |
| 100 |
| 19  |
| 100 |
| 6   |
| 97  |
| 30  |
| 87  |
| 96  |
| 10  |
| 57  |
| 94  |
| 78  |
| 98  |
| 100 |
| 65  |
| 90  |
| 0   |
| 3   |
| 0   |
| 0   |
| 100 |
| 40  |
| 58  |
| 97  |
| 20  |
| 2   |
| 3   |
| 7   |
| 0   |
| 80  |
| 98  |
| 78  |
| 0   |
| 13  |
| 100 |
| 100 |

|     |
|-----|
| 18  |
| 100 |
| 100 |
| 100 |
| 100 |
| 100 |
| 100 |
| 30  |
| 100 |
| 100 |
| 100 |
| 97  |
| 100 |
| 100 |
| 100 |
| 99  |
| 100 |
| 97  |
| 87  |
| 100 |
| 99  |
| 100 |
| 74  |
| 97  |
| 0   |
| 49  |
| 0   |
| 0   |
| 100 |
| 100 |
| 33  |
| 100 |
| 98  |
| 60  |
| 100 |
| 38  |
| 0   |
| 0   |
| 4   |
| 0   |
| 100 |
| 92  |
| 78  |
| 83  |
| 0   |
| 100 |
| 100 |