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## THE CHOICE FOR U.S. POLICY IN SOUTH AFRICA: REFORM OR VENGEANCE

### INTRODUCTION

Ronald Reagan this week outlined in detail the objectives of his policy towards South Africa. His speech challenged many of the prevailing assumptions concerning South Africa that increasingly have dominated discussion of sanctions in the United States Congress. At the same time, the President took some important initial steps to engage the U.S. more deeply in a search for a durable political accommodation in South Africa. While the President avoided any new catchword to characterize his policy, he nonetheless stated forcefully that a broad moral and political argument can be made against both sanctions and apartheid. By virtue of his personal involvement in the issue, the President has now aligned himself with British Prime Minister Margaret Thatcher in defining and defending a common policy of promoting reform in South Africa and rejecting arbitrary punitive sanctions which have the sole virtue of vengeance for Pretoria's racist sins.

The confrontation that now looms between the President and his critics in Congress derives from precipitous new sanctions legislation approved by the House of Representatives in June. The legislation provided for broad mandatory prohibitions on trade with South Africa and complete disinvestment of American companies as a means of pressuring Pretoria to dismantle apartheid. The measures, passed in haste, without even a recorded vote, properly face a critical examination in the Senate.

If reform in South Africa genuinely is sought, sanctions legislation and discussions of South Africa should move from debates over symbolic actions to serious examination of their potential consequences. In fact, countries other than South Africa may be the most serious victims of sanctions. Indeed, Pretoria indicates that it is considering its own retaliatory sanctions against its neighbors.

The attempt to find a reasonable accommodation in South Africa that benefits everyone seems to be slipping further away as sanctions and counter-sanctions dominate discussions. Over the past several years the South African government has pursued reforms designed to eliminate discrimination in the country, particularly to improve opportunities for blacks and include participation in government. Pretoria, for example, has repealed pass laws and influx control, opened downtown areas to businesses of all races, granted South African citizenship to all blacks previously defined as "temporary" residents, abolished the Mixed Marriage and Immorality Acts, extended the rights of property ownership to blacks, and created a mechanism for including blacks in a system of representative government.

Only the active engagement by the U.S. and other Western nations can speed these changes. The House legislation, by contrast, seeks only retaliation and punishment of South Africa for having embraced a system of apartheid that is now being rapidly dismantled. With no mechanism for escaping sanctions, the House legislation forces a confrontation between Washington and Pretoria.

The alternative to this is to support genuine reforms in South Africa that will dismantle apartheid and avoid igniting all of Southern Africa in a great conflagration.

These reforms include expanded American investment to promote the growth of racially integrated business with job opportunities for blacks. The growth of free enterprise with a free labor market has a corrosive effect upon existing social practices of discrimination in South Africa. Thus existing restrictions on economic activity in South Africa should be rescinded if the activities do not directly support remaining institutions of apartheid. This means that Export-Import Bank, Overseas Private Investment Corporation, and International Monetary Fund financial benefits should be made available in South Africa for businesses and projects conducted on a nondiscriminatory basis. State disinvestment laws should be challenged in U.S. courts as violating interstate commerce.

Existing U.S. programs to aid the disadvantaged in South Africa specifically should promote the reform process by such things as directly assisting the upgrading of black education, including more scholarships for blacks to integrated universities and ending discrimination against students in so-called tribal homelands. Black businesses' attempts to exercise new rights to operate in white areas should receive assistance under programs such as the National Endowment for Democracy, as should labor unions operating under new labor laws. To build a true representative government in South Africa, the institutions to underpin such a government must be built.

The U.S. has a vital national interest in preventing a further escalation of violence, confrontation, and economic impoverishment in

Southern Africa. If sanctions on investment and trade with South Africa are broadly supported in the Western world, they could trigger catastrophic consequences for the eighty million people in the seven African countries dependent on South Africa for food, trade routes, electricity, and other necessities. In short, sanctions policies that promote further disorder in South Africa could have a profound residual impact of causing the Ethiopianization of all of southern Africa.

## THE LEGISLATIVE SANCTIONS

On May 21, 1985, the House of Representatives passed the Anti-Apartheid Act of 1985; the United States Senate later passed similar legislation. Both bills were derailed by a series of sanctions imposed by Ronald Reagan in an Executive Order in September. Exactly one year after the original House action, new legislation was introduced. What eventually passed the House on June 18, 1986, went far beyond the sanctions proposed in 1985. These new sanctions would prohibit trade and other economic relations with South Africa and would mandate complete U.S. disinvestment from South Africa 180 days after the date of enactment. Specifically they require that: 1) all trade be terminated except for strategic materials which the President certifies are for military purposes and not available elsewhere; 2) no U.S. person may, directly or through another person, make or hold any investment in South Africa; and 3) the air landing rights of South African Airways, the only airline with direct service between the United States and South Africa, be terminated.

Unlike the sanctions imposed by Reagan on September 9, 1985, the House legislation erases any distinction between sanctions against the government of South Africa and U.S. companies operating in South Africa, regardless of how progressive their racial policies may be.

While the House legislation provides no means by which South Africa can avoid sanctions, the two other legislative proposals before the Senate contain such provisions. To avoid imposition of the sanctions, both the original Kennedy-Weicker bill (S. 2498) and the Kassebaum bill (S. 2636) require specific actions be taken by Pretoria. These include freeing from prison "Nelson Mandela and all political prisoners" and entering "into good faith negotiations with truly representative leaders of the black majority for a new political system." As an alternative way to avoid the sanctions, Pretoria could ensure that it "has totally dismantled the apartheid system."

Thus the legislation mandates that Nelson Mandela, former President of the African National Congress, be freed from prison whether or not he disavows violent action to overthrow the South African government. Moreover, proponents of the legislation have clearly defined "truly representative leaders of the black majority"



as specifically including the African National Congress. Not only does the ANC refuse to forswear violence, but a majority of this group's executive committee are members of the Communist Party of South Africa.

Clearly the intention of the legislation is to create as much economic disruption as possible in South Africa and isolate the South African government. Within South Africa, extremists on both sides support such sanctions. They apparently believe their own apocalyptic vision can be promoted by isolating South Africa and increasing hardships for its people.

#### THE REFORM PROCESS IN SOUTH AFRICA

This January, in his annual address to the South African Parliament, Prime Minister P.W. Botha declared that "South Africa has outgrown apartheid." Indeed, in the past seven years the ruling National Party in South Africa has begun to eliminate the apartheid policy of racial segregation. The government integrated many hotels, restaurants, and some transportation facilities, and lifted the prohibition on mixed marriages and sexual relations between the races. Higher education has been integrated.

Prohibitions against multi-racial political parties have been abolished. Blacks and other groups have been able to form trade unions and membership has grown dramatically to over five million by 1985. Through a constitutional amendment South Africa ended the whites-only parliament and representation was extended to Asians and coloreds (persons of mixed races) who elected their own members in nationwide elections. The South African government also acknowledged that blacks within South Africa would be regarded as citizens of South Africa and no longer assigned citizenship to their "tribal homeland."

In the past several months, Pretoria has taken three key steps to remove some of the remaining most significant elements of apartheid and to provide a mechanism for peacefully resolving the most divisive problem of black political participation in the government. These actions extended the right of property ownership; repealed the pass laws; and created a National Statutory Council designed to ensure a government representative of all racial groups in South Africa.

The reforms of recent years indicate that the predominant majority of the ruling National Party are conscientiously trying to work themselves away from a legacy that they readily acknowledge as awful. Indeed, it is precisely due to the abandonment of apartheid that the National Party split in 1982, with the new Conservative Party of South Africa adamantly clinging to the banner of apartheid.

Thus the question is no longer whether South Africa will maintain a system of apartheid, but whether the remnants of apartheid can be dismantled in a way to prevent both reaction and revolution.

#### THE REGIONAL CONSEQUENCES OF SANCTIONS

Economic data demonstrate the importance and power of South Africa and the potential impact of sanctions on the region. Of the eleven countries in southern Africa, South Africa is the most populous and dominant economically. An estimated 75 percent of southern Africa's GNP is generated by the economy of South Africa. With just under 29 percent of the region's population, South Africa produces 77 percent of the electricity, 97 percent of the coal, 98 percent of the iron ore, 82 percent of the chrome, 70 percent of the corn, 87 percent of the wheat, 67 percent of the sugar cane, 80 percent of the sheep, and 39 percent of the cattle stock. South Africa also contains 80 percent of the motor vehicles in the area, 63 percent of the tarred roads, 84 percent of the telephones, and 60 percent of the railways and harbors.

What this means, of course, is that South Africa's neighbors are nearly totally dependent on it for transportation and communication. Any serious disruption of the South African economy can have profound consequences for many of the over 80 million other Africans in the region.

If South Africa were subjected to sanctions denying it important commodities from overseas, it is difficult to imagine that Pretoria would continue to allow the transit of these products through South Africa to precisely those neighboring nations which had demanded that sanctions be imposed. South Africa either could continue to receive via "opposing" neighboring countries all the goods previously received from the Western world or South Africa could impose its own sanctions that would close corridors of trade in southern Africa. This could trigger a political and economic crisis of enormous magnitude. With so many of the nations in the region on the edge of subsistence, any additional economic dislocations could prove catastrophic. Forcing sanctions on South Africa could impose Ethiopianization on the entire area.

Pretoria also could impose a kind of military sanction on its neighbors. By increasing what so far has been only minimal aid to indigenous national liberation movements in Angola, Mozambique, and Zimbabwe, Pretoria could threaten, perhaps fatally, the one-party Marxist regimes that run these countries.

## THE AFRICAN NATIONAL CONGRESS AND REVOLUTION

The integral role played by communists in the African National Congress (ANC) has been well known for years. There are now at least 18 communists on the ANC's 30-member executive committee. Most important, the armed wing of the ANC, "the Spear of the Nation," is led by a prominent white communist, Joe Slovo from Lithuania, who joined the Communist Party in 1940. Other communists holding ranking ANC executive committee positions include the Secretary-General, Alfred Nzo; Treasurer-General Thomas Mkobi; Publicity Secretary Thabo Mbeki; the editor of ANC's publication Sechaba, Frances Meli; and Mzawi Piliso, special aide to ANC leader Oliver Tambo. At the Soviet Union's 27th Communist Party Congress earlier this year, the ANC delegation was accorded the same status as a communist party.<sup>1</sup>

In its radio broadcasts into South Africa from Ethiopia, the ANC calls for radicalism and violence. In a broadcast late last year monitored by the BBC the ANC proclaimed that:

The [other] campaign that must continue to escalate is the one of extending the theater of war into white residential areas...we must attack them in their homes and holiday resorts just as we have been attacking black boot-lickers at their homes. This must now happen to their white colleagues.

Even the Executive Director of the ANC, Oliver Tambo, himself not a communist, stated in a broadcast:

We cannot and should not allow a situation of relative peace and tranquility to obtain in the white areas of the country while black townships are in flames. We must take the struggle into the white areas of South Africa....

And in the most open admission of the ANC's role in terrorism, Winnie Mandela pledged to a crowd at Munsieville on April 13 that "with our boxes of matches and our necklaces, we shall liberate the country."

The proclaimed ANC goal is "to make South Africa ungovernable" through violent disorders. ANC terrorism thus has been directed against blacks who do not agree with them. In another radio message the ANC called upon supporters "to identify collaborators and enemy agents and deal with them." The brutal assassination of other blacks in South Africa through so-called necklacing (the practice of burning people to death with ignited tires around their necks) has nothing to

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1. For an examination of how the work of the ANC coincides with Soviet foreign policy goals in the region, see: William W. Pascoe, III, "Moscow's Strategy in Southern Africa: A Country by Country Review," Heritage Foundation Backgrounder No. 525, July 21, 1986.



do with apartheid. It is estimated that over 600 blacks have been murdered by rival black groups. Most of those killed have been moderates persecuted by radical ANC supporters who charge them with being collaborators of the South African Government. In fact anyone who does not agree with the radical program of the ANC is being labeled a traitor.

It is clear that the African National Congress supports a revolutionary transformation of South African society. As such, its support for disinvestment, opposition to broad-based aid to those suffering in the black community, and promotion of terrorism are actions calculated to cause the situation in South Africa to deteriorate and precipitate the total unravelling of society into civil war.

#### AN EFFECTIVE U.S. POLICY: ECONOMIC ENGAGEMENT

The complicated, but realistic, achievement of durable and meaningful changes in South Africa must come through peaceful accommodations between all groups in the country. An integral aspect of this is the engagement rather than disengagement of the Western world with South Africa. Removal of Western influence precisely at the time of positive changes in South Africa can only retard such change.

Few deny that foreign investment has been a force for positive change in South Africa or that the greater integration of South Africa into the world community has had a beneficial effect upon traditionally isolated South Africans who grew up with a narrow and unrealistic view of the world. To be sure, increased foreign investment alone will not solve the problems of South Africa; indeed 90 percent of all investment in South Africa is internally generated. But as part of broader program of effective engagement in South Africa, investment can contribute to a solution by establishing racially integrated companies.

To spur change in South Africa, the Reagan Administration should pursue a strategy of "investment leverage."<sup>2</sup> This means:

- 1) Instead of disinvestment, increased American participation in the South African economy should be encouraged.

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2. Stuart M. Butler, "An Investment Strategy to Undermine Apartheid in South Africa," Heritage Foundation Background No. 427, April 30, 1985.

2) The U.S. government should provide special assistance through American companies to upgrade the educational and management skills of black South Africans and help them form businesses of their own.

3) Assistance should be given to American trade unionists to train black union organizers.

4) Technical assistance and encouragement should be given to speed the recent decision by the South African government to return to the private sector key segments of the nationalized economy, thus taking control from Afrikaner bureaucrats.

To foster continued economic interaction with South Africa, the Reagan Administration should review existing policies that are incompatible with this objective. Specifically the Administration should:

1) Modify Eximbank, OPIC and IMF restrictions. Institutions supporting apartheid should not receive Eximbank financing of sales to South Africa, or Overseas Private Investment Corporation guarantees and International Monetary Fund credits. But other institutions should be authorized to receive such aid provided they observe nondiscriminatory policies.

2) Rescind restrictions on the sale of gold Krugerrand coins. Such sales cannot be considered supporting instruments of apartheid. Banning them is an unjustifiable restraint on trade with South Africa.

On the other hand, any further disinvestment and a cessation of trade with South Africa will be counterproductive. Existing uncertainty in South Africa, coupled with moves in Congress to require economic disinvestment, already have prompted some American firms to withdraw from South Africa. Such withdrawal only enhances the role of those South Africans and foreign firms not as committed to integration as are American companies. South Africa needs foreign investment for its economy to grow sufficiently to cope with the rising demand for jobs in South Africa, especially among the black population. Moreover, as President Reagan asserted in his speech on South Africa on July 22, Western businessmen are the "strongest allies" of blacks in South Africa because they "bring to South Africa ideas of justice from their own countries."

The United States can play a positive role in the reform process by encouraging the acceleration and expansion of programs specifically aimed at assisting the most disadvantaged in South Africa. With disinvestment, American influence on the situation in South Africa will diminish, as will the capacity of the South African government to continue with important reforms that have recently been initiated.



## U.S. POLICY AND POLITICAL REFORM IN SOUTH AFRICA

Beyond encouraging continued and expanded economic interaction with the private sector in South Africa, the United States should indicate its willingness to work closely with the South African government in the implementation of the reforms it has announced in various important areas:

1) Education. The South African government's efforts to upgrade black education in the country could be supplemented by American advice and assistance in constructing programs designed especially for disadvantaged students. The U.S. could widen its scholarship program in South Africa to include blacks wherever they live in the country, including those now disqualified because they legally reside in the so-called tribal homelands. With the integration of higher education in South Africa, more U.S. assistance should be provided for college education for disadvantaged groups in South Africa. This could be accomplished by using the \$30 million now spent for several hundred South African students studying in the United States to provide educations for several times that number in South Africa. Also in recognition of the changes in higher education, the U.S. Information Agency should create a bi-national commission in South Africa to oversee the existing Fulbright exchange program with South Africa and thereby work more closely with the integrated South African universities.

2) Discrimination. The South African government has indicated its intention of abolishing all forms of discrimination. The U.S. can provide legal assistance to victims of discrimination in South Africa who attempt, through peaceful judicial challenges, to assert their rights under changes in South African law. Some support for them has already been provided through the Human Rights Fund at the Agency for International Development.

3) Institution building. The National Endowment for Democracy (NED) should become more actively engaged in the process of broadening the infrastructure of representative government beyond the white community in South Africa. While leaving it up to South Africans to decide their political future, NED can provide guidance and support to the institutions necessary for any open political society.

4) Black business. The Center for International Private Enterprise at NED should be encouraged to work with black businesses in former white areas of South African cities. The Entrepreneurial Training Project of the Agency for International Development should emphasize this in its programs in South Africa. The congressionally funded African Development Foundation should expand its work into South Africa by providing assistance to black entrepreneurs.

5) Labor Unions. Experts from the U.S. labor movement should broaden their engagement in the process of reform in labor relations in South Africa to guarantee nondiscriminatory employment practices.

6) Political participation. The U.S. should encourage talks concerning political reform between representative leaders of the non-white communities in South Africa who renounce violence and the South African government. Specifically, the proposals of the South African government for a National Council to discuss serious political reform should be pursued.

Through active support for reforms in South Africa, the U.S. either can help guarantee their success or be aware of their failings. In short, the reform process should be given a chance to develop as an element of a peaceful resolution of the conflict in South Africa.

More broadly, the United States should declare forthrightly its support for the construction of a political order in South Africa based on a representative form of government which would include all people. At the same time the U.S. should denounce violence and indicate that it will disassociate itself with any group or individual who promotes violent change in South Africa.

Therefore, the U.S. government should maintain a minimal level of contact with the African National Congress until it renounces violence and endorses a representative pluralistic society. As the House of Representatives voted 365 to 49 on June 18th, the United States should provide no economic assistance to the ANC until it removes all communists from its executive committee. Terrorism by the ANC should be officially condemned by the U.S. government.

The U.S. should work with, and encourage the South African government to work with, all leaders in the black community who advocate peaceful change. For example, the U.S. should work more closely with Chief Mangosuthu Buthelezi and his Inkatha Zulu movement in South Africa. The U.S. should support efforts to create multi-racial governments within South Africa, such as in a new Kwa-Natal political consolidation. Existing U.S. assistance programs to blacks in South Africa have given too much support to radical black factions and unfairly discriminate against blacks living in the tribal "homelands." The U.S. should cease advocating the release of Nelson Mandela until he forswears violent change in South Africa.

## CONCLUSION

As an effective reform process proceeds in South Africa and the government seeks to negotiate changes in the political system to

guarantee universal participation in government, the United States should promote that process. To do this, Washington must move beyond the constructive engagement currently being pursued. Constructive engagement became a largely reactive policy, which allowed forces of revolutionary change in South Africa to gain prestige and momentum, while those seeking peaceful change in the black community have been largely ignored. Thus those promoting a violent, revolutionary change in South Africa now dominate Washington's attention. A dynamic alternative of effective engagement in South Africa is necessary to avoid potential further polarization into reaction and revolution, both of which would create much greater hardships on the people of South Africa than they thus far have endured.

Only by continuing to invest, trade, and conduct other economic activity in South Africa can the U.S. encourage the reform process. Existing policies that restrain economic activity thus directly support institutions of apartheid. In his address on July 22, Reagan outlined the dire consequences of sanctions as well as the positive role played by Western businesses in South Africa. U.S. assistance in South Africa should be tailored to the prescriptions of the President and become more directly engaged in both the economic advancement and political reform of South Africa.

While the U.S. government has had beneficial programs involving support for expanded educational opportunities and for the growth of labor unions and black businesses, such programs now need to be integrally related to the opportunities afforded for change by reform processes proclaimed by the South African government. In conjunction with the building of the institutional infrastructure of a representative form of government in South Africa, a large and challenging role exists for the National Endowment of Democracy.

Finally, in the difficult political situation confronting South Africa, the U.S. should provide more positive support for moderate proponents of peaceful accommodation in South Africa and forthrightly condemn all forces of terrorism and intimidation that appear determined to create revolutionary upheaval.

The process of transforming a complex, multi-racial society such as South Africa into a durable representative form of government remains an arduous task. Only the combined forces of moderation in the black, white, and other communities can accomplish such a task in a climate of stability, prosperity, and good will. The United States must continue to be a catalyst in that critical process.

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