



**ORGANIZATION OF
AFRICAN UNITY**

Secretariat
P. O. Box 3243

منظمة الوحدة الأفريقية
السكرتارية
ج. ب. ٣٢٤٣

**ORGANISATION DE L'UNITE
AFRICAIN**

Secretariat
B. P. 3243

اديس ابابا . ج. ب. ٣٢٤٣

CM/970(XXXIII)

COUNCIL OF MINISTERS
Thirty-Third Ordinary Session
Monrovia

REPORT OF THE OAU ADMINISTRATIVE SECRETARY-GENERAL
ON THE APPLICATION OF SANCTIONS AGAINST THE RACIST
AND MINORITY REGIMES IN SOUTHERN AFRICA



CM 0970

MICROFICHE

INTRODUCTION

To begin with, the General Secretariat wishes to recall that the Council of Ministers, in its Twenty-Ninth Session held in Libreville, Republic of Gabon, in June 1977 decided that the problem of Sanctions be included in a single report for practical reasons.

Hence the General Secretariat has gathered information on sanctions against South Africa and Rhodesia and embodied it in one document. Besides information on the activities of the General Secretariat within the context of the implementation of resolutions adopted in Khartoum in July 1978, this report also contains information on the effects of sanctions on the two racist regimes in Southern Africa, and cases of violation of these sanctions.

A. IMPLEMENTATION OF THE KHARTOUM AND NAIROBI RESOLUTIONS

Following the Khartoum meetings, the General Secretariat endeavoured to implement the resolutions of the Thirty-First Session of the Council of Ministers adopted by the Fifteenth Assembly of Heads of State and Government. An indepth report was submitted on this issue to the Thirty-Second Session of the Council of Ministers in Nairobi, Kenya, from 23 February to 4 March 1979. This was contained in the Report of the Administrative Secretary-General, Document CM/928 (XXXII) Part I.

It must however be pointed out that some of the Khartoum Resolutions had to be implemented after the Nairobi Session, especially Resolutions CM/Res. 623 (XXXI) and its paragraphs 8 and 9. Details of the implementation of this resolution as well as those relating to the Nairobi resolutions on sanctions are contained in the Administrative Secretary-General's Report on the activities of the Organization covering the period from February to July 1979.

B. EFFECTS OF SANCTIONS ON THE ECONOMIES OF SOUTH AFRICA AND RHODESIA

In view of the apartheid and racial discrimination policies practised by the South African and Rhodesian regimes, these countries were subjected to sanctions by the world's peace and justice loving people. Regarding South Africa, the imposition of sanctions still remained a controversial issue. Some countries claimed, that sanctions had not been imposed on South Africa

because the relevant decisions had not been taken under Chapter VII of the UN Charter, in other words by the Security Council. Others felt that South Africa having committed "crime against mankind", should be boycotted by the entire world community in pursuance of the numerous relevant resolutions adopted by the UN General Assembly.

In regard to Rhodesia, the situation is slightly different. The International Community did decide to black-list rebel Rhodesia. All-round general sanctions were adopted against the Salisbury regime by the Security Council. The whole world was committed, at least legally, to apply these sanctions by isolating politically and economically, the illegal regime established in Rhodesia by a clique of colonialists.

Nevertheless, only a few countries applied these sanctions against South Africa and Rhodesia while others deliberately violated them. Although these sanctions were partially applied by only some countries, they did not only have adverse effects on the economies of these regimes but also produced effects in favour of the liberation struggle.

1) Effects of Sanctions on the South African Economy

South Africa's economic prospects for 1979 are quite slim though the Standard Bank of South Africa reported a relatively positive situation in its January 1979 bulletin. During 1978, South Africa's industrial situation improved over that of the previous year. As admitted by the Standard Bank of South Africa, this improvement "is not contingent upon increase in consumption but the success of import substitution and export promotion". This in fact explains why there was a positive and even surplus balance of payments in 1978. This was however a superficial improvement since the South African regime had to resort to an economic austerity policy by stopping the importation of unessential commodities.

In the primary sector, the situation was clearly different. During 1978, production in the mining industry seriously declined. This reduction according to the 26 January 1979 issue of "Marché's Tropicaux", however coincided with the increase in the prices of certain world products such as diamond, gold and platinum. To cite an example, according to the statistics from the South African Chamber of Commerce, gold production in November 1978 amounted to 1,880,221 as against 1,904,867 ounces in November 1977, i.e.

a 24,656 ounce reduction. On the other hand, the South African mines yielded an income of 5.7 billion dollars in 1978 compared with 3 billion in 1977. Prospects for 1979 are quite favourable, not because of increased output but "the rise in current world market prices" Nevertheless, the positive effects of this fall in world prices is likely to be neutralised by the effects of the Iranian oil embargo because South Africa's supplementary oil bill for 1979 is estimated at approximately 150 million Rands.

The situation was considered to be very serious in the agricultural sector. In an article published in the 19 January, 1979 issue of the "Marches Tropicaux", it was reported that there would be a serious agricultural crisis in 1979. It seemed the maize crop which was 9.7 million tonnes in 1977-78 "would decrease by 2 million tonnes in 1978-1979. According to this same article" South Africa experts reckoned that in 1979 maize exports would reduce by 3 million tonnes and that the country would consequently lose about 300 million Rands in foreign exchange". This crisis would not only inevitably affect the morale of the South African farmers who are mostly whites but also immigration by whites into South Africa.

Obviously more serious is the current economic situation prevailing in Rhodesia.

2. Effects of sanctions on the Rhodesian economy

The Rhodesian regime has for some years now been living in an economic war. In fact, it had to face an increasingly active **guerrilla warfare** as well as sanctions imposed on it by the International Community. According to the 1978 statistics from the South African Standard Bank Economists, Ian Smith's regime spent between 700 thousand to 1 million dollars daily to sustain its belligerent efforts. Such expenditure considerably ruined the country's already staggering economy due to the oil embargo. According to the 12 January 1979 issue of the South African Financial Mail quoted by the "Facts and Reports "

of 16 February 1979, Rhodesia's industrial output sagged by 3.5 per cent during the first quarter of 1978. This decline seemingly continued throughout the whole of 1978. The 8 December 1978 "Marche's Tropicaux" also reported in an article entitled "Rhodesian Economy in Crisis", that the processing industry "was the worst off owing to the closure of the international markets". Adversely affected for the fourth consecutive year, the paper went on, the Rhodesian economy was impatiently awaiting normally in the situation which for many industrial circles could be achieved only through transition to a black minority regime.."

In the mining sector as well production dropped during last year although there was a par value increase during the same period. The 12 January 1979 issue of the Financial Mail estimated that there was a 5 per cent par value increase in the mining sector in 1978 compared with 1977.

Conversely, the Gross Internal Product dropped by 4 percent last year and estimates for 1979 were even more pessimistic. Ian Smith's rebel regime has itself forecast a 7 percent drop for this year.

On the agricultural side, the situation was not any better. Owing to the state of uncertainty in the country sides, the peasants resorted to refuge in the towns, thus abandoning their farms. The Rhodesian Financial Gazette therefore reckoned for instance "that the cotton farms in the whole of Rhodesia could shrink by 15 to 20 per cent" What was true for cotton was equally true for the whole agricultural sector.

The Salisbury rebel authorities no longer knew what to do. They had to face the most sky-rocketing inflation. They tried in vain to take appropriate measures because the whole machinery was rusty. The 8 December 1978 issue of "Marche's Tropicaux" described the Rhodesian financial situation as follows: "The Rhodesian government has considerably increased its internal indebtedness in 1978-1979 (financial year commencing at the beginning of July). Since the beginning of the 1978-1979 financial year, RH \$83 million have been borrowed generally on a long term repayment basis (repayment over 25 years) to supplement the financing of administrative and social services costs".

It appeared that for November 1978 alone, the Rhodesian government, faced with unsurmountable difficulties, officially borrowed 15 million Rhodesian dollars repayable by 1980 as well as another amount at RHd.\$ 20 million repayable by the year 2003.

The result of this general analysis of the economic situations in South Africa and Rhodesia was that the sanctions did produce some effects. It would surely be an exaggeration however to attribute the effects of sanctions alone to the relative weakening of the South Africa and Rhodesian economies, isolation of these two regimes also had to be stepped up at all levels. The sanctions constituted an effective and supplementary weapon for the armed struggle. It was obviously not an easy struggle because these regimes were being supported politically, economically and even militarily by the major powers controlling the contemporary world.

C. VIOLATION OF SANCTIONS

The sanctions should in principle cover all sectors of activities. Unfortunately it was realised that countries continued to maintain diplomatic or consular relations with the racist regimes in Southern Africa. They also maintained with these regimes all kinds of political relations.

1) Diplomatic and Consular Relations

The following countries have diplomatic or consular relations with South African regime.

Federal Republic of Germany	Greece
Austria	Italy
Luxembourg	Netherlands
Norway	Portugal
Belgium	United Kingdom
Denmark	Sweden
Spain	Switzerland
Finland	France

b) North American countries

United States of America

Canada: Though Canada has its Embassy in Pretoria, it has closed its consulate in Cape. It seems this closure has no political motives but is the result of a political austerity measure adopted by the Canadian Authorities.

c) South American countries

Argentina

Salvador

Bolivia

Nicaragua

Brazil

Paraguay

Chile

Uruguay

Costa Rica

d) Oceanian countries

Australia

New Zealand

e) Asian countries

Japan

f) Middle East

Israel

g) African countries

Malawi

No country on the other hand officially maintains diplomatic or consular relations with the Salisbury rebel regime. The Southern African racist regime is the only exception to this rule.

With regard to international organizations, South Africa continues to be a member of the United Nations, the World Bank, the International Monetary Fund, the International Atomic Energy Agency and the International Civil Aviation Organization. It is also party to the General Agreement on Trade and Tariffs. South Africa is however no longer a member of the Inter-Governmental Maritime Consultative Organization, UNESCO, ILO and FAO. It is neither a member of the Commonwealth.

(SOURCE: Objective - Justice (WINTER 1977/1978))

2) Other political relations

The South African and Rhodesian regimes often exchange political missions with some countries. It was in line of this that the so-called Rhodesian Prime Minister, Ian Smith, visited the United States. He obtained visa for the U.S. despite world protests. In fact the Security Council abhorred by this trip expressed regret and apprehension at its 10 October 1978 Session over the decision by the United States Government to authorise Ian Smith as well as some members of the illegal Salisbury regime to enter the U.S.

Many Latin American countries have numerous relations with the South African regime. Early last year, the South African Foreign Minister visited Costa Rica, Brazil and Argentina. There were many other cases in which Rhodesian nationals went abroad on travel documents issued by some European countries.

3) Economic Relations

Despite resolutions imposing sanctions on the South African and Rhodesian regimes, the latter continued to maintain economic relations with some countries. These relations were established in the field of trade, investments, loans etc.

a) Trade with South Africa

Trade with South Africa flourished in 1978. There was 936.7 million rands of balance of payments surplus (one rand = US.\$1.5) as against 744.9 million in 1977. These figures were supplied by the South African Customs Services and published by the "Marchés Tropicaux" of 9 February 1979. According to the same source, total exports for 1978 amounted to 7,199.2 million compared with 5,186.2 million in 1977. Most of South Africa's transactions were with Western Europe and United States.

In fact, in the course of 1978, South African exports to Western Europe amounted to 3,602.5 million rands, i.e. an amount slightly exceeding its total exports for that year. During the same period South African exports to the US rose to 1,561.5 million rands compared with 1,079.5 million in 1977. Imports from the US amounted to 1,086 million rands in 1977. The figure was as high as 1,132.7 million rands in 1978.

The above figures slightly differ from those supplied by the "Quarterly Economic Review" of the third quarter of 1978 because this review publishes only for illustration purposes, the statistics on the first four months of each year. The review indicated that South African imports from its major partners amounted to US.\$476.8 million in 1977 and rose to US.\$608.4 million in 1978. Exports which were US.\$489.2 million in 1977 also rose to US.\$557.8 million.

The following two tables show the destination of South African exports and the origin of the country's imports.

1. Destination of South African Exports expressed in US.\$000 - from January to April

<u>Partners</u>	<u>1977</u>	<u>1978</u>
United Kingdom	111,955	110,855
United States	58,478	105,154
Federal Republic of Germany	43,333	68,886
Japan	51,403	57,649

<u>Partners</u>	<u>1977</u>	<u>1978</u>
Africa	46,830	44,770
Switzerland	13,471	37,243
France	16,057	25,308
Belgium	16,253	20,961
Italy	16,598	17,241
	<u>476,802 US.\$</u>	<u>608,445 US.\$</u>
	=====	=====

II. Origin of South African Imports expressed in US.\$ 000
from January to April

<u>Partners</u>	<u>1977</u>	<u>1978</u>
Federal Republic of Germany	78,349	106,483
United Kingdom	80,916	97,175
United States	107,649	85,425
Japan	54,240	70,198
France	29,533	48,761
Africa	28,859	24,021
Italy	15,063	19,269
Switzerland	11,276	14,894
Netherlands	<u>11,507</u>	<u>13,474</u>
	<u>489,249 US.\$</u>	<u>557,896 US.\$</u>
	=====	=====

(SOURCE: Quarterly Economic Review of Southern Africa 3rd Quarter 1978)

Britain remained South Africa's first trade partner despite the decline in the former's economy. According to "Investor Chronicle" of Britain, British exports to South Africa were relatively less significant and South African imports were the more so. Imports amounted to 980 million Pounds Sterling in 1977 (one Pound Sterling = + - US.\$ 2) The British Trade Department supplied the following statistics for 1978 on Britain's trade with South Africa to £ 697.1 million for the first ten months in 1978 whereas its exports

to South Africa did not exceed £ 559.4 million. Imports especially included manufactures (£391.9 million). Minerals and metal wares (£73 million) and fruits and legumes (£91.6 million). Exports comprised mostly transport machinery and equipment (£302 million including £93.8 million worth of transport vehicles. Exports also included clothes as well as various manufactured goods. These figures were supplied by the British Trade Department and published by many newspapers including the South African Rand-Daily Mail of 4 December 1978.

The Federal Republic of Germany is likely to surpass Britain and secure the first position as South Africa's major trade partner. In fact West German exports to South Africa during the first nine months of 1978 rose to 1 billion rands and imports for the same period amounted to 840 rands. According to the French Weekly "Marches Tropicaux" of, 19 January 1979, the Federal Republic of Germany "has secured the first place as South Africa's supplier" during the first half of 1978. Until October 1978, West German exports to South Africa had scaled upwards by 20.4 percent, compared with the corresponding period of 1977. On the other hand, according to a survey conducted by the Joint German/South Africa Industrial Chamber of Commerce, published by the South African Digest of January 26, 1979, South African exports to West Germany during the first ten months of 1978 augmented by 34-5 percent, as against the same period in 1977. Regarding South African imports from Germany, still according to the same source, there was a 58 percent increase, compared with those of the preceding year.

Another important South African trade partner was France. Its trade with South Africa considerably increased in 1978. The Agence France Presse Office in Johannesburg reported in a recent dispatch that "naval supplies for civil use in the South African mercantile marine, were the result of the 40 percent trade increase between France and South Africa in 1978".

Statistics on the first ten months of 1978, showed that trade between France and South Africa rose from 468.2 million rands in 1977 to 660.7 million in 1978. Total South African exports to France during that period were estimated at 233.5 million rands as against 228.2 million for the whole of 1977.

For further trade promotion, a joint French-South African Chamber of Commerce was established in Johannesburg.

French trade missions often went to South Africa and vice-versa.

In the area of automobile industry, the French firm "CITROEN-PEUGEOT" sold 13,172 vehicles to South Africa in 1978 alone. This information was supplied by "the National Association of Automobile manufacturers of South Africa"

It was mainly in the mining sector that Franco-South African trade really had an upward trend. The French daily "Echs" of 12 January, 1978 published that "France depends more and more on South Africa for its mineral supplies". The "Droit et Liberte" No. 370 of June 1978 also revealed that "imports from South Africa represented 49 percent of France's total purchase of manganese, 26 percent of antimony, 25 percent of vanadium, 20 percent of chromium, 19 percent of platinum and 25 percent of coal.

Trade between South Africa and Japan has grown very fast. South Africa is Japan's third trade partner in Africa. According to "Africa" No.87 of November 1978, Japanese exports to South Africa amounted to 718 million US dollars, compared with Japan's imports of 735 million. In terms of overall trade transactions with South Africa, Japan occupied the fourth place after Great Britain, United States and the Federal Republic of Germany. For November 1978 alone, makes of motorcars sold to South Africa included especially Toyota (2019 units) and Datsun - Nissan.

In the field of timber industry, Japan occupied a prominent place. During the first quarter of 1978, 26 percent of South Africa's total timber exports went to Japan.

Trade relations between Israel and South Africa were of special nature. According to a report published by the UN, reference A/33/22/Add.2 dated 20 November 1978, "The trade relations between Israel and South Africa reflect the special relations existing between the two countries". These relations had developed in a special manner since 1973, date on which, some countries decided by solidarity with their Arab brothers, to sever their diplomatic relations with the Zionist regime of Israel which had once again aggressed the Arab countries.

Thus in 1977, according to the same source, importation of military equipment amounted to 15.3 million rands while exports rose to 30 million rands. During the first four months of 1978, imports went up by 50 percent, i.e. from 6 million to 9 million rands.

South Africa exported the following items to Israel:

- Steel (about 12,000 tonnes monthly)
- timber
- asbestos
- tobacco
- hard pannels
- ferro-manganese
- canned foods

Israel exported the following items to South Africa

- Military equipment
- potassium
- food stuffs
- canned foods

- special machinery
- textiles
- chemicals
- vehicles spare parts
- pharmaceutical products

SOURCE: UN Report
A/33/22/Add.2
d/12858/Add.2

A number of seminars were held in South Africa and in Israel with a view to promoting trade between the two countries. In a speech delivered by the South African Trade Secretary, the latter stated that "the best way of significantly promoting trade in both directions i.e. between Israel and South Africa, is to establish joint-enterprises between the private sectors of both countries as well as in the fields of mining, manufacturing industry and distribution".

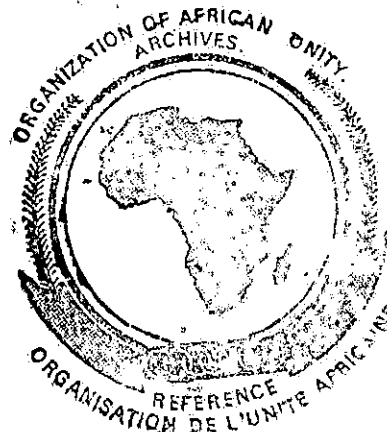
Trade relations between Israel and South Africa had been improving year by year since 1973. According to "Marches Tropicaux" of 22 December 1978, "Afrikaanse Handelsingstitut sent a trade mission to Israel with a view to promoting trade between both countries". Mr. Jack ROSMARIN, President of the joint Israeli-South African Chamber of Economic Relations was reported by the South African newspaper "To the point" to have said that Israeli exports to South Africa amounted to 23.9 million dollars in 1977. During the same period South African exports to Israel were worth 54.21 million dollars. Between January and August 1978, South Africa imported 24.9 million dollars worth of goods from Israel and exported to the latter goods amounting to 54.21 million dollars. This figure did not include sales of diamond which was carried out through a sales agency based in London. Finally, according to "Africa Confidential" of 4 August 1978, trade between Israel and South Africa, had developed by 400 percent since 1973. It is obvious that trade between Israel and South Africa was and still is increasing in a spectacular manner day in day out.

This trade link is a matter of concern since Israel became the main commercial bridge between South Africa and the Western countries of Europe and the United States. The aim of this arrangement was surely to counteract the possible effects of UN embargo against South Africa. According to the terms of agreements between the European countries and Israel, "goods already processed by at least 40 percent may have free access to the countries of the European Economic Community without attracting any (tax) (Africa Confidential of 4 August 1978)". The same holds for Israeli goods exported to the United States. These arrangements made it possible for South Africa to sell its semi-processed iron and steel from its ISCOR factories to the Tel-Aviv Koor Metal Industries which in turn exported these items to Europe and the US. This explains why 60 percent of the South African goods exported to Israel were ISCOR products, i.e. iron and steel.

Besides, Israel and South Africa have recently concluded an important contract on coal supply. According to the terms of this contract as reported by the Sunday Times of Johannesburg of January South Africa "would in a first phase supply Israel with 750,000 to 1,000,000 tonnes of coal annually for a total amount of 23 million dollars.

Rhodesia also had trade relations with some countries. Transactions were however conducted more discretely than in the case of South Africa, in view of the fact that sanctions against Rhodesia were covered by Chapter VII of the UN Charter. This relative discretion explains why trade statistics supplied on Rhodesia were lower than the actual figures or were unavailable.

The few indiscrete disclosures on Rhodesian trade show that despite the embargo, Rhodesia continued selling its goods on international markets, and was also supplied by the same markets.



As published by the "Business Herald" of 2 November 1978, Rhodesian sales augmented by 6.6 percent or 257.4 million dollars during the first eight months of 1978. During that period, Rhodesia purchased from West European countries goods worth 238.3 million dollars, i.e., an 8 percent increase over the same period in 1977.

According to information published by Agence France Press on 12 December 1978, the Dutch Authorities seized 6,000 tonnes of chromium at the Rotterdam harbour. A UN expert consultant also reported on trade transactions between Switzerland and Rhodesia during the period between January and September 1978.

Below is a table of the transactions

	<u>Kg.</u>	<u>Value in Swiss Franc</u>	<u>Value in US.\$</u>
Imports	1,763,960	12,659,593	6,898,187
Exports:	47,860	2,468,441	1,346,962

SOURCE: Case No. 214 of 15/11/1978 UN Sanctions Committee

From these few examples of trade transactions with the racist minority regimes in Southern Africa, it appears that international sanctions were incessantly violated and trade with these regimes remained active contrary to the desire of the international community.

Enormous funds continued to flood the investments markets in these countries outlawed by the international community.

b) Investments and financing

The huge investments in South Africa were the result of cheap labour and some other factors which helped the investors to realise maximum benefits

within a record time. For instance, British investments in South Africa, estimated at 5 billion Pounds Sterling, in other words 60 percent of overall foreign investments in South Africa, yield an annual net profit of 266 million pounds (London Stock and Exchange review: Investor Chronicle).

According to the South African News Agency Bulletin No. 9, South Africa's benefits from investments grow from 15 to 20%.

Report 14/78 published in June 1978 also indicates that British investments in South Africa were highest with 60 percent of the total investments in the country. The second highest investor was the United States, followed by the Federal Republic of Germany, Japan and France. To this number must further be added other countries belonging to the Western world.

Below is the list of foreign countries with investments in South Africa:-

<u>COUNTRIES</u>	<u>NUMBER OF COMPANIES</u>
Australia	100
Belgium	46
Canada	39
Denmark	10
France	116
Federal Republic of Germany	135
Italy	21
Netherlands	92
Japan	2
New Zealand	2
Sweden	64
Switzerland	18
United Kingdom	699
United States of America	539
 TOTAL	 <u>1,883</u>

Source: United Nations Report 14/78 of June 1978.

According to the 15 December 1978 issue of the South African "Financial Mail", foreign investments in that country increased by 80% in 1977. Investments by Common Market countries increased by 13% and those of other European countries other than the Nine, by 11.1%. United States investments in that region increased by 12%.

The "South African News Agency" bulletin No.9 of November 1978 announced that 10% of British foreign investments were in South Africa where 400 of its firms with 1,000 subsidiaries operate. The bulletin revealed, however, that 17% of the total foreign investments in South Africa were American.

Referring to statistics published by the United States Trade Department, the 15 December issue of "Africa Confidential" disclosed that American companies planned to **raise** their investments in South Africa to 277 million Dollars in 1979 as against 230 million dollars in 1978. Last year, the FORD MOTOR Company announced its intention to release an additional 8 million dollars to strengthen its activities in South Africa. This American firm has **already** invested 135 million dollars in South Africa. Investments made in South Africa by another American company, CALTEX, amounted to 200 million dollars in 1978.

The 3/12/78 issue of the South African "Sunday Times" reported that two very large American mining firms: UTAH INTERNATIONAL and TEXASGULF INC. had decided to invest in the mining project of chromium and platinum in the Transvaal.

The Federal Republic of Germany continues to invest massively in South Africa. According to the joint German/South African Chamber of Commerce and Industry, West German investments in South Africa increased by 3% in the first half of 1978. These represented about 10% of foreign investments in that country, which were estimated at 1.8 billion rands. West German investments in South Africa for 1978 alone were estimated at 60%.

Obviously, British, American and West German investments one represented 87% of the total foreign investments in South Africa. The 13% difference went to other European countries, Japan and Israel. The 16 March 1978 issue of "Facts and Reports" disclosed that the Swiss electrical company: OERLIKON ELECTRODES had just invested 1.1 million rands in its South African branch, bringing its total investments in South Africa to 2.5 million rands. Thanks to modernization and the improvement on its set-up, the South African branch intended to capture most of South Africa's

electrical equipment market representing about 14 million rands.

The West German Group of Companies: HENKEL, appeared to have increased its share in the South African detergents industry by 20% in 1978. This will reach 24 million Rands by 1980 (9 March 1979 issue of "Marchés Tropicaux").

Some countries, very few indeed, have taken steps to discourage these investments. This is the case of Sweden where a bill forbidding Swedish Enterprises from investing in South Africa and Namibia was to be tabled in Parliament. The Netherlands, for its part, appealed to its companies in South Africa to conform with the EEC code of conduct.

In addition to these huge investments, South Africa receives loans and credits to finance economic projects. The South African Finance Minister, Senator OWEN HORWOOD, was quoted in the 8/12/78 issue of "Marchés Tropicaux" as announced on his return from Frankfurt late November that South Africa had obtained a 250 million dollar loan from Europe. He disclosed also that some West German banks had granted a loan to a joint-state electrical enterprise: ESCOM, and to a state owned steel manufacturing company: ISCOR, in 1978.

On the other hand, it was reported in the 15 December 1978 issue of "Africa Confidential" that some American banks had granted a 2.3 billion dollar loan representing 1/3 of South Africa's foreign debts. On its part the "Financial Times" of Britain reported on 23 December 1978 that three main American banks: Bank of America, Chase Manhattan and Morgan Guarantee, had granted an equivalent of 30 million rand loan to South Africa. This loan was payable within five years with 6.86 percent interest.

West German banks also take part in the financing of some South African projects. Thus, according to some News Agencies, "Bayerische Landesbank Girozentrale" might have privately invested 20 million Dutch Marks (\pm 2 DM)

over five years at 7.3% interest on behalf of the South African Oil Fund.

Below is the Table showing West German loans to South Africa in 1978 alone:-

<u>Lending W. German Institution</u>	<u>South African receipient body</u>	<u>Year of Loan</u>	<u>Year of Refund</u>	<u>Amount Lent</u>
Bay Vereinsbk	ISCOR	1978	1980	DM. 50 m
B.H.F.	ESCOM	Jan.1978	1981	DM. 40 m
Dresdener Bank	ESCOM	Feb.1978	1981	DM. 20 m
Commerzbank	South African Boradcasting Co.	Mar. 1978	1981	DM. 25 m
Dresdener Bank	Industrial Deve- lopment Corp.	1978	1983	DM. n.a.
B.H.F.	S.A.R.	Apr.1978	1982	DM. 40 m
Deutsche Bank	S.A.R.	June 1978	1983	DM 25 m
B.H.F.	City of Johan- nesburg	May 1978	1982	DM. 50 m
Bay. Vereinsbk	ISCOR	1978	1982	DM. n.a.
Bayer Hypothekenu Wechselbank	Standard Bank of South Africa Import-Export-Fin.	July 1978	1982	DM. 50 m
Bayer Hypothekenu Wechselbank	Corporation for Economic Develop- ment	July 1978	1982	DM. 25 m

Source: ISSA - Information Centre on Southern Africa - of 21 August 1978.

This huge sum of money also flooded Rhodesian market through South Africa. It is very difficult, however, to determine the actual figures involved in Rhodesia because the loans were carried out so meticulously and discretely that only partners of this regime could be brought into the secret.

There can, however, be some indiscretions and it is known, for example, that during the 1978-1979 fiscal year, Rhodesia had acquired a long term loan of 80 million Rhodesian dollars on the local market. No one should be deceived because this amount was actually spent in financing the war to protect foreign interests in Rhodesia. The two minority regimes in Southern Africa are able to build and keep up a formidable nuclear power with the help of some countries.

D. MILITARY AND NUCLEAR CO-OPERATION

South Africa's military power continues to grow and strengthen. As a matter of fact, the racist regime has built up a considerable military arsenal to such an extent that it appeared to have even succeeded in acquiring sophisticated nuclear weapons. Consequently, the South African regime has enjoyed the support and co-operation of some countries.

(1) Military Co-operation

South Africa spends huge sums of money annually to defend apartheid being contested both internally and externally. The 18 December 1978 issue of the "South African Rand Daily Mail" reported that the apartheid regime continued to spend over 300 million rands annually on arms imports in spite of the embargo on arms purchase placed on it.

In an article published in the 28/1/1978 issue of the Dar-Es-Salaam "Sunday News", South Africa was reported to have budgeted for 1,550 million rands for defence during the 1978-79 financial year. Two-thirds of this amount was devoted for arms purchase abroad. "Sunday News" was of the opinion that such huge spending on arms would have not been possible without foreign assistance. The United Nations Sanctions Committee also shared the same view. In a communiqué released on 30 November 1978, the Chairman of this Committee,

after announcing that his Committee had then watched a documentary film screened by the British Broadcasting Corporation (BBC) and the Canadian Broadcasting Corporation (CBC), declared that there was "a case of serious violation of mandatory sanctions against Rhodesia and the arms embargo on South Africa." The same communiqué pointed out that it was obvious "that the racist regimes in Southern Africa received all types of weapons through a well structured secret international network which violated the embargo. South Africa received the weapons through many channels..." This showed clearly that Resolution 418 of 14 November 1977 on arms embargo on South Africa was not fully respected. All types of weapons, including war planes, continue to be supplied to the two racist regimes in Southern Africa. Accordingly to a release by "TASS" dated in Maputo and carried in the 24/12/78 issue of "The Ethiopian Herald", many Western Powers, especially United States, Britain, Federal Republic of Germany and Israel ... continue to strengthen the military arsenal of the Apartheid regime." The Chairman of the South African arms industry (ARMCOR), Mr. P. Marias, has affirmed, however, that his country's armed forces are now better armed than they were a year ago.

South Africa has 600 fighters-bombers, 200 helicopters equipped for anti-guerrilla war, 500 tanks, 200 armoured cars etc. Most of these weapons come from United States, Britain, France, Italy, Federal Republic of Germany and, of course, Israel. In an outstanding survey conducted by two eminent Professors of Dar-Es-Salaam University and published in the 16/2/79 issue of "Facts and Reports", impressive detailed information was given about arms supply to South Africa from 1963 up-to-date. This survey revealed that four methods were used by United States in supplying weapons to South Africa.

First Method :- Military aircraft were intentionally labelled "civil aircraft". This was precisely the case with 16 Lockheed L-100, 7 "Swearingen" Merlin IV and 22 Cessna 185.

These aircraft were used for military purposes both in Angola and Namibia.

Second Method :- Aircraft designed in United States were built abroad. For example, "AERONAUTICA MACCHI - LOCKHEED AL-60" which were built under licence in Italy and sent to South Africa.

Third Method :- American aircraft were sold to South African companies or individuals. These aircraft are later requisitioned by the South African government in case of need. In any case, all the pilots of these aircraft are white and are often trained at the expense of the government. Under this guise, United States might have sold many aircraft between 1973 and 1976. In December 1977, while mandatory embargo on arms sales was already adopted, the U.S. Government had authorised the sale of six Cessna aircraft to South Africa. United States also approved the supply of between 70 and 80 light aircraft to South Africa at the beginning of 1978. These aircraft can be used in flying troops to small localities and the bush.

Fourth Method :- Under this method, American engines were supplied for the building of some military aircraft and vehicles. J-79 engines, manufactured by "General Electric", were thus supplied to Israel for its "Kfir" fighter-bomber. Many aircraft of this type were sold to South Africa. Other types of weapons were also delivered under similar conditions. They include M-3A1 armoured cars, T17s, M-47 and M-109/155 mm tanks, etc. Dr. Potgieter, one of the heads of the South African arms manufacturing industry disclosed in the 27 November 1978 issue of the South African Journal, "The Citizen", that almost all the weapons sold to South Africa since 1963 were done in violation of UN sanctions. During that period, it was France which broke the record in the arms sale of South Africa by supplying it with armoured vehicles, tanks, interceptors, helicopters, rockets, missiles, all kinds of

bombers, anti-submarines aircraft, etc... Isreal, the privileged ally of South Africa was; for its part, responsible for "supplying South Africa with naval equipment, electrical equipment for armoured vehicles and anti-riot equipment."

According to report A/33/22/Add.2 published on 20 November 1978 par the UN on relations between Israel and South Africa, Israel was said to "have promised to supply South Africa with six model RECHEF old warships equipped with very advanced type of surface - gabriel missile, 76 mm automatic rifles, anti-submarine torpedoes, a sumarine radar system and electronic equipment." The South African crew of these ships are trained by Israelis in South African naval bases. Some of these ships were supplied to South Africa in 1977, three should have been supplied in 1978 and others between 1979 and 1980. Lastly, the 29/12/1978 issue of "The Ethiopian Herald" reported that South Africa had placed an order to the tune of 218 million dollars for military equipment with Israel.

For Rhodesia, the armament race is more scandalous. The official military spending which represented 159 American dollars in 1977 suddenly shot up to 242 American dollars for the fiscal year 1978/1979 i.e. an 83 million dollars increase in a year. It is with a view to facing the liberation war which is making great strides that Rhodesia is spending such huge sums of money. Unfortunately, Rhodesia enjoys foreign support in this war. For example, Rhodesia, which does not build aircraft and which has been under total embargo for nearly 14 years now, had 48 fighter-bombers by 1977 and 84 by 1978. It had 12 FB9 vampires in 1977 whose number rose to 18 by 1978; etc...

In 1977, Rhodesia received 20 Cessna F.337 from France, 14BN-2A Islander from Britain and 4 OU-10F BRONCO from the United States. Early 1978, Rhodesia acquired 12 Agusta-Bell 205 helicopters which were already being used

in the war. These helicopters were designed in the U.S. and built under licence in Italy.

Source of Information: World Armament and Disarmament Year Book, 1978.

At the United Nations request, Mr. Jean Gervasi, a consultant, conducted a survey into arms supplies to Rhodesia. His findings clearly showed that Western Powers deliberately supply arms to Rhodesia in violation of International sanctions. According to Mr. Gervasi's report, Rhodesia's military spending rose to 530 million American dollars in 1977-1978.

The following tables indicate the development of the Rhodesian air force from 1972 to 1978.

Table One

<u>"Rhodesian" Air Force</u>	<u>1972</u>	<u>1978</u>
Total number of fixed-wing aircraft	78	154+a/
Fighter bomber b/	70	131+a/
Helicopters	12	84
Budget	10 million	60 million

a/ This indicates partial estimates. It is very likely that the real figures are much higher because it was not possible to assess, even roughly, the number of some types of aircraft in use.

b/ The "Rhodesian" air force has many fighter-bombers because it has to deploy all its aircraft at the maximum. It is obvious that a large number of trainer aircraft are equipped with weapons and used in various combat missions.

Table Two

Types of aircraft acquired by the "Rhodesian" Air Force during
1972-1978

<u>Aircraft</u>	<u>countries where built</u>
Britten-Norman BN-2 Islander/Defender	Britain
Cessna - Reims FTB-337	U.S.A./France
Cessna M-17	U.S.A.
Rockwell OV-10F Bronco	U.S.A.
North American T-28R*	U.S.A./France
Mirage II	France
Aermacchi MB-326m Impala	South Africa
SA-330 Puma helicopters	France
Agusta-Bell 205 helicopters	U.S.A./Italy

* This aircraft could be the American built version without French modifications.

Source of Information:- Mr. GERVASI's report to the U.N.

In addition to this arsenal, 13,000 mercenaries from western countries were fighting on the side of Rhodesian troops.

According to reports of the Tanzanian News Agency carried in the 16/1/79 issue of the "Ethiopian Herald", there were in

Rhodesia, 13 thousand mercenaries 2,800 of whom were

Portuguese, 2,500 Americans, 1,800 French, 1,500 West Germans and 800 Israelis.

From the foregoing, it is undeniable that the racist regimes in Southern Africa are strongly supported by the Western Powers which arm them.

(2) Nuclear Co-operation

It is common knowledge that South Africa is doing all it can to acquire and develop its nuclear technology. The final aim is obviously to possess a nuclear weapon with a view to perpetuating Apartheid and perpetrating aggression against independent African States. United States, France, Britain, West Germany, Japan and Israel are the main architects of nuclear development in South Africa. They had already provided South Africa with the most sophisticated technology for processing uranium. South African nuclear technicians are trained in these countries which also sent their experts to South Africa to improve on their experience and to give scientific advice to their South African counterparts. According to Dr. Franck Barnaby, Director of the International Peace Research Institute, "Co-operation in the nuclear field by most western countries with Pretoria emanates from their desire to benefit from South Africa's uranium and not to rely, thereby, on the American supply." Moreover, Dr. Barnaby affirmed that "South Africa has the technical and probably the fissible materials enabling it to produce nuclear weapons so quickly that, although it does not yet have it, it can be counted among the nuclear powers."

West European countries, United States, Israel and Japan are mainly responsible for the manufacture of nuclear weapons by South Africa.

Rhodesia, for its part, has no nuclear ambition; but is conscious that in case of any serious threat and if the circumstances demand, it can always benefit from the South African nuclear strength. Nevertheless, there is hope that before this nuclear assistance is sought, the situation in Rhodesia will have developed greatly and the power will have surely changed hands. The massive exodus of whites from Rhodesia to other promising countries is a clear indication of this.

E. IMMIGRATION

The South African and Rhodesian racist regimes rest on the confidence derived from the minorities in power. The migration of the white constitutes a yardstick for measuring the credibility of the two regimes. But for some time now, the migration is effected in almost one direction. Whites in South Africa and Rhodesia are fleeing the two territories at an unbelievable rate. Some people even speak of a true population drain.

In an article captioned: "The Emigration of the white Doubled in 1978", the 23 February 1979 issue of the weekly "Marchés Tropicaux" reported that "the latest emigration statistics of South Africa show that 20,613 whites left the country in 1978." The reports said that 18,140 whites, including 8595 from Rhodesia, entered the country within the same period. Those from Rhodesia might simply be in transit pending the finding of other host countries. It seems that an irresistible movement is in the pipeline and that the whites are massively leaving South Africa to settle in Latin America.

The situation is more dramatic in Rhodesia. Below it a testimony published in the No. 936 issue of "Jeune Afrique" of 13 December 1978:-

"If the somewhat 240,000 whites in Rhodesia continue to leave the country at the present rate, they will have all gone by 1994. There were 14,075 registered departures in the first 10 months of 1978. To this official figure should be added those whites who had gone on leave but never returned. The country has never before experienced such exodus since the Unilateral Declaration of Independence thirteen years ago." This testimony is quite explicit and does not need any comments.

The Central Statistical Office of Salisbury

announced on 25/1/1979 that "the white migration from Rhodesia reached a record target in December 1978 with the loss of 2,771 persons." Taken by panic and having no longer any confidence in their future, many white Rhodesians are in disarray and no longer know what to do.

In any case, many are going abroad. There are some who leave the country without indication of their new address and even without carrying their effects along with them for fear of wasting time going through exit formalities. They leave as if they are going on leave but never return. At present, everyone is convinced that the white population in Rhodesia stands only at 200,000 instead of 270,000 some years ago. This is at least the opinion of the 26 January 1979 issue of the Burundi daily "Le Renouveau" which believes that "if one takes into account the number of youths who are studying abroad, and who are obviously determined to settle there, there will remain only 200 thousand whites, one third of whom are South Africans and another one-third holding British passports". This is also the view of the American newspaper "International Herald Tribune" which affirmed that according to some estimates, the white population in Rhodesia would reduce to 200 thousand by the end of February 1979.

Between 25,000 and 30,000 white Rhodesians spend their leave abroad every year. It is not known how many of them return.

The situation, as it stands today, is favourable for the liberation struggle and the time is no longer distant when Rhodesia will regain its name: Zimbabwe and its dearly won freedom.

SPORTS RELATIONS

Racial discrimination was instituted as the system of government in the two racist and minority countries in Southern Africa. Sports are no exception to this rule.

The whites and the blacks play separately. In the stadia or any other places of sports, the places are divided into compartments. Some (the best and well maintained) are reserved for whites and the rest left for blacks.

This is an intolerable situation and this is why the International Community has decided to boycott all competitions in which any racist South African or Rhodesian team participates.

Having understood the importance of sports in the international field, the South African and Rhodesian regimes are doing their best to be accepted abroad without, however, making any effort to change the situation within their territories. They are using all possible and impossible means to **participate** in international sports competitions. What they want, first and foremost, is to be admitted to take part in the competition with a view to creating an atmosphere of credibility abroad and of confidence among the white population at home. Thus, they use sports for political ends.

South Africa was expelled from many International sports Federations.

Below are three tables showing the sports situation
in South Africa:-

Table One

Olympic Sports

Archery	Full member
Athletics	Excluded in 1976
Basketball	Full member
Bobsleigh & tobogganing	Not a member
Boxing	Excluded in 1968
Canoeing	Suspended but participation in international competition.
Cycling	Excluded in 1970
Equestrian Sport	Full member
Fencing	Full member but suspended from world championship.
Football	Excluded in 1976
Gymnastics	Full member
Handball	Non-member
Hockey	Full member but does not take part in world championship.
Ice Hockey	Non-member
Judo	Non-member
Luge	Non-member
Olympic Games (games)	excluded in 1970
pentathlen and biathlen	Full member
Rowing	Full member but does not take part in world championship.
Shooting	Full member
Skating	Full member
Skiing	Non-member
Swimming	Excluded in 1973
Volleyball	Non-Member
Weight lifting	Excluded in 1972

Wrestling
Yacht racing

Excluded in 1970
Full member

Table Two

Non-Olympic Sports but Recognized by the International Olympic
Committee

Aeronautics	Full member
Badminton	Full member
Baseball	
Body building	Full member
Bowling	Full member
Casting	Full member
Orienteering	Non-member
Pin bowling	Non-member
Roller-Skating	Full member
Rugby	
Silent Sports	Full member
Soft ball	Full member
Table tennis	
Taekwondo	Non-Member
Tennis	Full member
University sports	Non-member
Water-skiing	Full member but is not allowed to take part in world championship.

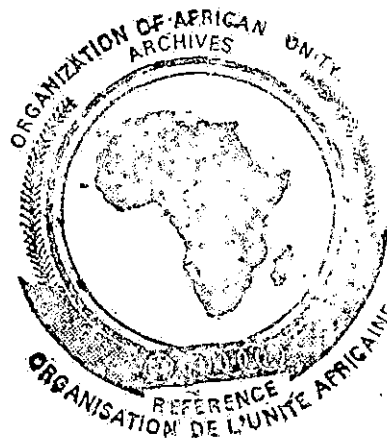


Table Three

Angling (CIPS)	Suspended
Chess	Suspended
Cricket	No longer a member
Darts	
Golf	Full member
Karate	Full member
Motor Sports	Full member

Net ball	Suspended
paraplegics	Full member
Squash rackets	Full member
Trampoline	Full member
Tug-of-war	Full member

Source of Information:- Report 20/78 of July 1978.

OIL SUPPLY

South Africa and Rhodesia do not produce oil but depend entirely on foreign countries for this item.

Conscious of its great vulnerability if it continues to depend yet much longer on foreign oil supply, South Africa has deployed great efforts in prospecting for oil extracting from coal.

The 27 January 1978 issue of the "South African Digest" reported that since 1965 up-to-date, South Africa has spent 160 million rands on oil prospecting. No oil strike has yet been made apart from some insignificant gas deposits.

In desperation, South Africa attempted to extract an oil equivalent from coal. Consequently, it built two plants for this purpose.

The first, with its headquarters at Sasalburg 50 kms. south of Johannesburg, was built in 1955. It is called "SASOL I" and according to UN report 12/78, "it currently produces about 4,500 barrels of oil daily representing 1% of South Africa's present requirements." A recently new-built plant, "SASOL II" is sited at Secunda, 130 kms. from Johannesburg. According to the 4 November 1977 issue of "Financial Mail" quoted by UN report 12/78,

the estimated costs of this plant "rose from 1,021 million rands to 2,458 million between 1974 and 1977." The UN report noted further that "when SASOL II will begin operating at full capacity in 1982, it will supply only 12 percent of South Africa's oil needs." While awaiting the 1982 date-line, South Africa continues to depend 99% on foreign sources for its oil requirements.

Where then does this oil come from?

The 11 June 1978 issue of "The Sunday Times" provided the answer by reporting that South African was importing 400 thousand barrels of oil daily, 90% of which came from Iran. This answer seems to be outdated today because of the political developments in Iran. As a matter of fact, the new authorities in Iran have decided to impose a total boycott including an oil embargo on racist regimes in Southern Africa.

With this decision by Iran, South Africa and Rhodesia have practically lost their only remaining official source of oil supply.

Since 1973, the Arab oil producing and exporting countries have decided on an oil embargo against the two countries. All the OPEC member states gave assurances that they would not supply oil to Pretoria and Salisbury.

These adoptions of official position did not, unfortunately, prevent international oil companies from diverting oil to the two countries. Some industrialized countries such as West Germany, Belgium, Canada, the U.S.A., France, Italy, Japan, the Netherlands and Britain also export oil to South Africa and Rhodesia.

Source of Information:- Table 23 in the U.N. Report 12/78.

South Africa is in serious difficulty following Iran's decision not to supply it with oil. It has therefore begun to buy oil at black market rate which is 40 to 50 percent higher than that on the world market.

It would seem also that South Africa has begun to speculate on the exchange of its gold against oil. Although South Africa has an oil reserve stock which, it seems, could last for at least two-and-a-half years, the situation would certainly worsen if the oil embargo was effectively applied. It is therefore necessary to take a large scale action to make the oil embargo work. The international oil companies should be warned seriously that they could not continue with impunity to divert oil to racist regimes in Southern Africa.

Rhodesia's situation is worse than that of South Africa because its daily oil supply of 16,000 barrels comes from Pretoria. This oil supply therefore is no longer guaranteed at 100 percent. Without South Africa's assistance in this field as in the other major sectors, Rhodesia is bound to fall.

The situation, as it stands today, appears therefore very favourable for the intensification of the struggle because, according to many experts, the two regimes, if effectively deprived of oil, would fall in less than two years.



1979-07

Report of the OAU Administrative Secretary-General on the Application of Sanctions Against the Racist And Minority Regimes in Southern Africa

Organization of African Unity

African Union

<https://archives.au.int/handle/123456789/10010>

Downloaded from African Union Common Repository