

CHAPTER 6

The Shadow of Sharpeville: The West and White-Minority Rule in the Sixties

What is important
about Sharpeville
is not that seventy died:
nor even that they were shot in the back
retreating, unarmed, defenceless

and certainly not
the heavy calibre slug
that tore through a mother's back
and ripped through the child in her arms
killing it

Remember Sharpeville
bullet-in-the-back day
Because it epitomized oppression
and the nature of society

more clearly than anything else;
it was the classic event

what the world whispers
apartheid declares with snarling guns
the blood the rich lust after
South Africa spills in the dust

Remember Sharpeville
Remember bullet-in-the-back day

And remember the unquenchable
will for freedom
Remember the dead
and be glad

—DENNIS BRUTUS
Stubborn Hope

DENNIS BRUTUS'S LIFE, like his poem, bears the marks of South Africa in the sixties. Active in the campaign for a world boycott of South African sports, he was imprisoned in 1963, escaped, was shot and reimprisoned. In 1966 he went into exile, to become an eloquent and energetic voice in international campaigns against apartheid. Yet his "stubborn hope" from exile reflects the fact that, far from succumbing to such pressures, South Africa after Sharpeville successfully intensified repression, beat down a generation of resistance, and won the continued confidence, if not the open praise, of the leaders of the Western world.

The visibility of the killings at Sharpeville—photographs of dead and dying were available—made the name a watchword and March 21 a date to be commemorated. Symbolizing South Africa's moral isolation, it also showed the regime's determination to retain control. For key Western

policymakers, it was the second reality that was the more relevant guide to action.

In March 1965, a few days after the fifth anniversary of Sharpeville, a delegation from the National Conference on South African Crisis and American Action met with National Security Adviser McGeorge Bundy. Bundy, a leading figure in the American foreign-policy establishment, urged the delegation to abandon the idea of economic pressures as ineffective. He noted that other problems, such as the Congo, "greatly overshadowed South Africa as a possible threat to the U.S. image in Africa."¹

Bundy's views on actions against South Africa were representative of Western policymakers in the 1960s. Serious efforts to disengage from ties with white South Africa were rejected out of hand. Moves in such a direction, if occasionally necessary to bolster the image of Britain or the United States, were undertaken reluctantly, hedged with qualifications, and implemented inconsistently. This can be seen not only in the case of South Africa, but also in the parallel cases of South West Africa and Rhodesia, where there were more powerful legal cases for international action.

The Test of Crisis

SHARPEVILLE TIME

In the simplified shorthand of historical memory, Sharpeville is often seen as the beginning of a new period. Yet it may also be seen as the symbol of trends that were at work both before and after March 21, 1960.

One can see, for example, a gathering momentum of black protest in the late 1950s that continued at least a couple of years into the 1960s. Though key leaders were sitting through the marathon Treason Trial, discontent was boiling up around the country—among rural people in Transvaal reserves, among women in a Durban township upset at liquor raids and other harassment, among peasants in the Transkei's Pondoland. There was no obvious way to move beyond the ANC's defiance campaigns of the mid-fifties. But there was a rising spirit of resistance.

The late 1950s were also a period of economic slowdown, after the

relatively rapid expansion of the earlier period. The value of agricultural output from 1955 to 1960, for example, grew only 4 percent, as compared to 27 percent from 1950 to 1955. Mining's rate of expansion did not slow, but manufacturing dropped from a 64 percent increase (1950–55) to a 34 percent increase (1955–60). Agricultural production in the African reserves, which apartheid envisaged as the place for Africans superfluous to the white economy, was increasingly inadequate. Although the reserves provided approximately 30 percent of their inhabitants' subsistence from World War I up to 1955, this proportion dropped to some 20 percent by 1960.² As tightening pass laws restricted the exodus from the reserves, the struggle to survive there intensified.

At the same time, the international scene gave some hope. Ghana in 1957 became the first black African colony to gain its independence, and the next year hosted both the first Conference of Independent African States and the All African Peoples Conference. In 1959 it was already clear that Kenya, Nyasaland, and the Congo would move toward independence. Even British Prime Minister Macmillan, in January 1960, advised South Africa to trim its sails to this wind of change.

Hendrik Verwoerd, South Africa's new premier from 1958, was implacable in implementing the apartheid scheme. But he was also conscious of the need to sell it to English-speaking South Africans and the outside world. He sought to compare his Bantustan plan for the reserves with the idea of independence for African countries. Internally, an emphasis on white unity began to edge out stress on Afrikaner-English competition.

The opposition United Party meanwhile reaffirmed the basic principles of white supremacy. In August 1959 United Party "conservatives" and "moderates" forced out the minority reform-minded faction. The majority attacked the government's Bantustan policy because it would give too much land to Africans, and sought to have party members pledge never to advocate a common voters roll including Africans.

The group that left to form the Progressive Party in November 1959 had the influential backing of Anglo American Corporation's Harry Oppenheimer, and stressed the familiar themes of moderate reform: the economic unity of South Africa and impracticality of full separation, the need to make some concessions to urban Africans, the desirability of a qualified franchise, the need to limit arbitrary government action against dissent. Its one member of parliament who won reelection in 1961, Helen Suzman, was to become famous over the next decade as the solitary challenger in that arena of the step-by-step tightening of the apartheid vise.

Even the Progressive Party's supporters, however, tried to stave off "extreme" external pressure on South Africa. The month after the party's

foundation, Oppenheimer joined in launching another new organization, the South Africa Foundation. The Foundation was conceived as a "voluntary non-political body comprised of English- and Afrikaans-speaking South Africans of different political persuasions but also imbued with the ideal of presenting South Africa's case at home and overseas."³

As a body "independent" of particular government policies, the Foundation was designed to mobilize a consensus, especially among businessmen, for patriotism and business as usual. Talk of reform was all right, but the effect of outside "pressures" and "misunderstandings" had to be countered. Headed by Major General Sir Francis de Guingand, Montgomery's chief of staff during World War II and a friend of President Eisenhower, the Foundation was to prove an effective channel for maintaining confidence in South Africa among the business leaders of Western countries.

This was the context when on March 21, 1960, as many as five thousand people gathered outside the police station at the black township of Sharpeville. The Pan Africanist Congress, strong in this area of the Transvaal, was encouraging its supporters to hand in their passes in civil disobedience. The crowd waited most of the day, alarming the police contingent, who, however, gave no order to disperse. After noon, a Colonel Pienaar arrived with police reinforcements, and a half hour later, apparently in panic, the police opened fire on the crowd. Photographs, post-mortem reports, and hospital reports showed that some 70 percent of the victims (69 dead and 186 wounded) were shot from the rear.

The result was to escalate what might have been a modestly successful protest into a broader nationwide confrontation. The ANC, which had been planning a pass protest of its own for March 31, issued a call for a stay-at-home strike on March 28. In major centers such as Cape Town, Johannesburg, and Port Elizabeth, up to 90 percent of African workers stayed home. In Cape Town, where three had been killed by police on the 21st, the PAC organized protests culminating in a march of some thirty thousand on parliament on March 30. Temporarily suspending routine pass-law enforcement, the government focused on decapitating the protest movement. The PAC and the ANC were both officially banned on April 8. Political arrests beginning after Sharpeville numbered some eighteen thousand by May, and sixteen hundred people were being held under emergency regulations.

For much of the year, scattered protest and unrest continued. In Pondoland, Transkei, insurgents burned houses of government collaborators and, meeting by thousands in the hills, refused to pay taxes. Emergency regulations were issued for the Transkei in November. There were also

occasional confrontations in urban townships. But attempts to mobilize new nationwide demonstrations in April and June were ineffective.

The crisis provoked an international reaction. At the United Nations, Britain and the United States joined in a General Assembly motion condemning apartheid. While the United Kingdom abstained, the United States voted for a Security Council resolution saying that South Africa's racial policies "if continued might endanger international peace and security."⁴ The wording seemed to hold out hope of future action under Chapter VII of the UN Charter, which authorizes mandatory sanctions "to maintain or restore international peace and security."

Even more indicative of an international crisis of confidence was the flow of capital out of the country. Foreign exchange assets declined from \$439 million before Sharpeville to \$238 million at the end of 1960. The year showed a net outflow of private capital of some \$272 million (as compared with a \$67 million outflow in 1959). The total of foreign investment in the country fell from \$4.3 billion to \$4 billion. And the value of stocks on the Johannesburg stock exchange was down \$1.7 billion, a drop of some 16 percent.⁵

Inside South Africa, the business community after Sharpeville intensified its calls for reform. Already in February the Association of Chambers of Commerce (ASSOCOM), representing the country's wholesale and retail merchants, had initiated a report on economic aspects of race policies. An executive committee statement in May called for giving nonwhites "a sense of inclusion" and noted the need to expand domestic markets and relax racial restrictions on the mobility of labor. In June the four other major business associations, including the Afrikaanse Handelsinstituut, joined in suggesting certain exemptions from the pass laws for urban Africans. Friction between the police and this category of African needed to be diminished, they said.⁶

The same theme was prominent in speeches by opposition figures such as United Party leader Sir de Villiers Graaff. "The permanently tribalized Bantu," said De Villiers, should get "the right of representation in Parliament as a separate group" and such rights as home ownership in their own areas and freedom of movement. "Our aim should be to develop a responsible property-owning Bantu middle class in whose interest it would be to accept the responsibility of ensuring not only peace but also Western standards," he explained.⁷

Another such advocate was Harry Oppenheimer. In his report to Anglo American stockholders in June, he stressed that South Africa would not follow the pattern of other African countries by handing over power to blacks. South African Bantu, he said, would have to accept that. But a

restoration of confidence among investors would depend not only on law and order, but also on "removing all reasonable causes for grievances." The pass laws and the liquor laws, he said, were the main causes of racial friction. Adjustments should be made taking into account the fact that "millions of Bantu living in and around urban areas had their permanent homes there."⁸

After a brief period of uncertainty, it became clear that the government was prepared for only minimal adjustments. In May, changes were made in urban Bantu administration and in the laws restricting liquor purchases by Africans. (The police had long been convinced that the liquor laws had more negative than positive effect, Verwoerd said.) The Prime Minister also noted that any business was free to increase wages for its employees. But the basic premises of apartheid were reaffirmed. In the Western Cape, he said, preference for Coloured workers should be more strictly implemented, and "great numbers" of Bantu kept out. And the policy of separate development should be bolstered by encouraging industries on the borders with the reserves.

Though many business leaders had some skepticism about the government's approach, and ASSOCOM in particular continued to advocate the abolition of influx control and job reservation, most fell in line once the law-and-order measures they agreed were necessary seemed to be working. Limited controls on capital outflow, imposed in mid-1961, were also reluctantly accepted, and they also seemed to work.

After Sharpeville, reflecting the questioning mood, the South Africa Foundation considered inviting a few selected nonwhites to participate as trustees or staff members. But they decided against it, noting that any important black, Coloured, or Indian leader identifying with the aims and objectives of the Foundation "would run the almost certain risk of being branded as a Quisling by his own people."⁹ The first priority of the organization, de Guingand told the Foundation's board in December 1960, was to cement the closest cooperation between the Union's white races, to enable the evolution of a just pattern of racial harmony. They must present to the world a positive picture of the Union's achievements, problems, and potential, he said.¹⁰

South Africa's leaders, whether in the National Party, the United Party, the Progressive Party, or the business associations, were in agreement on the essential point of white leadership. Only the small Liberal Party had come to accept the principle of a universal franchise. And only the Liberal Party, and some among the Progressives, joined with blacks in welcoming outside pressures in favor of majority rule. Respectable white South Africans, whether in moderately apologetic or in belligerently defiant tones, called for outsiders to leave the pace of change to them.

THE BRITISH RESPONSE

Macmillan's "wind of change" speech, though unexpectedly frank and controversial, had not deviated from the consensus that local whites should remain in charge. He had explicitly denounced the idea of a boycott of South Africa. After Sharpeville, the Conservative government in Britain was to accept additional measures of symbolic disassociation from apartheid, culminating in South African withdrawal from the Commonwealth in March 1961. But at each stage Macmillan took pains to ensure that the effect on substantive ties with South Africa would be minimal.

When the UN Security Council voted its condemnation, Macmillan noted in his diary his reluctant decision to have Britain abstain rather than veto. "The new Commonwealth (like India and Ghana) will never forgive us if we do [veto]," he mused.¹¹ Apologizing in a message to Verwoerd, he explained that a veto might well have precipitated the calling of a special Assembly with even worse results. A week later, the Conservatives allowed to pass an opposition motion in parliament "deploring the present racist policies now being pursued by the South African government."¹² But at the Commonwealth meeting in May, Macmillan and Australian Prime Minister Menzies succeeded in confining discussion of apartheid to private sessions off the formal agenda (Nkrumah of Ghana was still the only African prime minister in the gathering). Macmillan confided to his diary his fear that "feeling against South Africa is swelling to really dangerous proportions."¹³

Before the next year's Commonwealth meeting, Verwoerd held a referendum on a Republican constitution, a symbolic declaration of independence removing the British queen from her formal position as head of state. The proposal, though generally opposed by English-speaking whites, won by 850,000 votes to 776,000 in October 1960. To reassure the opposition, Verwoerd's speeches during the year stressed that English-speaking and Afrikaans-speaking whites should join hands. A campaign for large-scale immigration, with free entry from white Commonwealth countries, responded to longtime United Party requests. (It was to boost net immigration from a negative 2,800 in 1960 to a gain of 1,400 in 1961, 12,000 in 1962, and 30,800 in 1963, a high proportion from Britain or of British ancestry.) South Africa, Verwoerd said, had every intention of maintaining good relations with Britain and staying in the Commonwealth.

At the March 1961 meeting, Macmillan planned to concede a strong statement on apartheid but hoped to defend South Africa's membership. The scheme failed when Nehru, Nkrumah, and Canadian premier Diefenbaker argued that racial nondiscrimination should be a prerequisite for

Commonwealth membership. Nyerere warned that Tanganyika when independent would not join if South Africa remained.¹⁴ Verwoerd relieved the conference of having to decide by announcing his country's withdrawal.

Verwoerd's decision was eased by British assurances on continued cooperation in trade and defense. Macmillan, speaking in Parliament the following week, expressed his regret at the South African departure and deplored the principles of apartheid. But he stressed that bilateral preferential-trade agreements would remain in effect. "In the past, South Africa collaborated excellently well with Britain in all spheres. . . . I have no doubt this situation will continue."¹⁵

It did. The crisis of investor confidence, the South African Reserve Bank concluded, was almost entirely in indirect portfolio investment. Businessmen with direct investments were not getting out and, once it was clear that order would be maintained, were willing to invest in new projects. Professor I. D. Macrone, of the psychology department at the University of the Witwatersrand, returned from four months in Britain in mid-1960 to tell the press there was no hostility against South Africa among top British businessmen. "They realize how much the White man has contributed to the prosperity in our country, and I found them among our best friends," he added.¹⁶

In Britain, the South Africa Foundation had little difficulty establishing an impressive network among business leaders. In 1961, the Foundation negotiated a cooperative agreement with Aims of Industry, a business organization that had been established to fight nationalization. The same year W. E. Luke, later to head the U.K.-South Africa Trade Association, joined the Foundation's board.

The friends of the African cause in Britain were also stimulated into further action. The Defence and Aid Fund stepped up its efforts. The Anti-Apartheid Movement, formed in 1959, sought to mobilize public pressure against the South African government. A "humanitarian" lobby, with roots in church circles as well as in the range of political parties from Liberal to Communist, solidified a consensus opposing British collaboration with the apartheid regime. Skilled at research and pamphleteering, this band of activists, incorporating white and black exiled South Africans, enraged the South African authorities with their ability to influence the public debate in Britain.

But that ability translated hardly at all into influence on British business involvement in South Africa or on government policy. The Conservative Party's leadership, critics pointed out, was riddled with men with personal business interests in South Africa, including some eighty members of parliament. The Monday Club, an influential though minority right-wing

caucus, rejected even the token criticism of apartheid that Macmillan had conceded. Prestigious figures such as Lord Montgomery advocated giving apartheid a chance to work. "Any plan must be acceptable to the majority of whites," Montgomery had commented after a January 1960 visit, and in any case it would take years for the "vast majority of Bantu" to reach the stage of being able to exercise the vote.¹⁷

The British government ruled out substantive measures of disengagement from South Africa, taking a leading role at the United Nations in lobbying against African demands for sanctions. Policymakers, well aware of the importance of South Africa as an export market and of Britain's need for South African gold,* were adamant against endangering these well-established ties.

WASHINGTON'S "BIFURCATED POLICY"

In comparison with Britain, the United States was far less vulnerable to South African economic pressure. Though investment and trade had increased substantially during the 1950s, the ties were proportionately less important and less firmly established than the British-South African connection. In many of the newly independent states in Asia and Africa, seen as the battleground in a global contest for hearts and minds, the U.S. presence was relatively new. A favorable image could have a positive impact in creating opportunities for U.S. influence. Not only presidential candidate John Kennedy, but also Vice-President Richard Nixon, for example, who had visited Ghana in 1957, could agree on that. As a result the United States generally moved a step ahead of Britain at the United Nations, in 1960 under President Eisenhower as well as afterwards under President Kennedy. As with Britain, however, the extent of substantive disengagement from South Africa was minuscule.

In the immediate aftermath of Sharpeville, there was little U.S. action except for the UN vote itself. United States Ambassador to South Africa Philip Crowe, who was not replaced until May of 1961, was a strong advocate of close ties with South Africa. In a farewell interview with the *Cape Times*, he lauded South Africa as a firm ally, based on the two countries' common anticommunism. Investor confidence had not been

* In 1960, after Britain's failure to veto the Security Council resolution, South Africa diverted gold sales from London: a third of the sales that year went elsewhere, mostly to Western Europe, as compared to 15 percent in 1959. The Bank of England had trouble maintaining the price of gold, a crisis described at the time as threatening the whole structure of exchange relationships.¹⁸

Even without the gold threat, British policy would probably have been largely the same. There were too many other reasons for the Conservative government continuing in the same line. But the gold diversion did provide a reminder, unobtrusive but nonetheless potent, of the potential cost of straying from friendship with Pretoria.

badly shaken, he said, and U.S.-South African ties would survive any winds of change. "Very close liaison" with the South African military and scientific communities on tracking space vehicles was an important deterrent against communism, he observed.¹⁹

Crowe was referring to three tracking facilities in South Africa of the National Aeronautics and Space Administration (NASA), set up in South Africa after 1957. During the first year of the Kennedy administration, negotiations for an additional military tracking facility were high on the agenda for officials dealing with South Africa.

Kennedy's Africa Bureau, while raising doubts over long-term security for the facility and urging in vain that the already established NASA sites be desegregated, proceeded with the talks. The agreement of June 1962 included U.S. consent for South African purchases of arms "for use against Communist aggression"; arms that could be used to enforce apartheid were to be excluded.²⁰

The agreement was one manifestation of what Mennen Williams described as a "bifurcated" policy, including "(a) general association [and] (b) specific disassociation and intense pressure in area of apartheid."²¹ Guidelines for the policy were drawn up after March 1961 in response to National Security Action Memorandum 33. "Our basic approach," noted a 1962 version of the guidelines, "is to distinguish between non-cooperation in matters directly or indirectly related to South Africa's apartheid policy, and cooperation in all other fields."²²

These other fields included continuation of uranium purchases from South Africa (a revised ten-year agreement took effect January 1, 1961) and aid for Pretoria's nuclear program. Milwaukee's Allis-Chalmers Corporation sold South Africa its first nuclear reactor in 1961. South African nuclear scientists came to study in the United States. United States warships visited South African ports. In 1961 and 1963, the United States participated with Britain and South Africa in the CAPEX naval exercises. A January 1963 memo by Williams noted the naval attaché's opinion that this was valuable for improving South Africa's antisubmarine potential. Williams also recalled that in 1961 South Africa had complied with U.S. requests for minimum publicity, and he recommended acceptance of the 1963 invitation with the proviso that publicity again be minimal. "Naval cooperation," the Africa secretary reflected, "is the military field furthest removed from apartheid."²³

In the 1961-62 period, several proposed arms sales were turned down at Africa Bureau insistence as incompatible with the guidelines. In general, police force and infantry type weapons were conceived to fall in this apartheid-related category. Sidewinder air-to-air missiles and antisubmarine weapons, however, were classified as for external anticommunist

defense. The implication was that African guerrillas could not seek conventional military aid from outside without also falling into the category of external threat, against which South Africa could legitimately defend itself.

On at least one occasion the Africa Bureau sought, unsuccessfully, to move beyond the so-called "dual" policy toward South Africa. In August 1962 Williams proposed that the State Department oppose an Export-Import Bank guarantee for American Metal Climax's Palabora Mine in South Africa. "Apartheid is so pervasive throughout the society that any assistance given to South Africa helps to support it directly or indirectly," he argued.²⁴ The recommendation was disapproved by Deputy Under Secretary of State Alexis Johnson, and Williams rarely again ventured such a sweeping statement on South Africa. The Export-Import Bank refused the Palabora application on other grounds and generally refrained from high-profile credits for exports to South Africa, but continued to grant loan guarantees.

In that same crucial period, while Williams's public speeches carefully avoided the issue of U.S. economic involvement, U.S. businesses showed their confidence in South Africa. The most prominent cheerleader was Charles W. Engelhard of the South Africa Foundation. Acknowledging in June 1960 that investors outside the Union were worried, Engelhard declared his "full confidence" at the annual meeting of Rand Mines, a company he chaired. "Not a year has gone by," he told another South African business meeting at the end of 1961, "in which I have not increased my investments here."²⁵

Engelhard was unusual in his willingness to identify publicly with South Africa (though Clarence Randall of Chicago's Inland Steel ran him a close second). It is a revealing indicator of attitudes in U.S. policy circles that he remained a welcome visitor at the White House and in good favor with prominent Democrats. He was appointed by President Kennedy to attend the papal coronation in 1963; later that same year Senator Mike Mansfield asked the State Department to extend him special cooperation on one of his overseas trips. And President Johnson caused a controversy in Africa by sending him to Zambia's independence celebrations in 1964.

His individual efforts also reflected the willingness of other major investors to express confidence in tangible terms. A revolving credit from ten American banks coordinated by Dillon Read and Company, expanded to \$40 million in December 1959, was renewed in December 1961. In October 1961 Engelhard's Rand Selection raised a \$30 million loan from U.S. investors. Industrial Development Corporation (IDC) chairman H. J. Van Eck visited the United States regularly in his capacity as director of the U.S.-South Africa Leadership Exchange, reassuring his contacts on the safety of investments in South Africa. His efforts paid off with a new \$5

million loan from First National City Bank of New York, also in October 1961.

The International Monetary Fund, in what was seen in South Africa as a show of confidence, granted \$12.5 million in credits in 1960 and \$25 million in 1961, with standby arrangements for additional loans if necessary. The World Bank provided some \$28 million. In 1960–61, at least \$150 million in loan capital was made available from the United States or U.S.-led international financial institutions.

Direct investment also bolstered the economy. Long-established firms like General Motors and Ford made no moves to withdraw. Companies new to South Africa, like Dow Chemical, Kaiser Aluminum, and Firestone, made decisions to start up operations there. In 1962 U.S. companies earned \$72 million in profits in South Africa, at a rate twice their worldwide average. United States direct investment increased \$23 million in 1961 and \$44 million the following year. One prominent South African politician, talking to visiting American theologian Henry P. Van Dusen in 1963, commented aptly, "So long as United States banks and business back us, we can go ahead."²⁶ The statement came a month after the high point of U.S. government anti-apartheid action in the sixties—the arms embargo of August 1963.

This step, urged on President Kennedy by Williams at the Africa Bureau and Stevenson at the United Nations, was announced just before a Security Council debate on the issue. The dramatic gesture was intended to gain credit for a U.S. initiative. Implemented in 1964, it reportedly cost as much as \$60 million in potential sales. But African critics noted numerous limitations which restricted its actual impact on South Africa.

First of all, the embargo was not mandatory, and at U.S. insistence the UN resolution carefully referred not to a "threat" but to "seriously disturbing" international peace and security, language that avoided action under Chapter VII. As a result, there would be no UN compulsion against countries like Britain and France that refused to accept the embargo, and no check on the U.S. interpretation of how to enforce it. Stevenson noted that existing contracts "for defense against external threat" would be honored. And if it should prove necessary for future common defense, the United States "would naturally feel able to [provide equipment to South Africa] without violating the spirit and the intent of this resolve."²⁷

Though some potential sales were blocked, the major effect of the 1963 embargo seems to have been to stimulate South African plans for building up military stocks and its own arms industry.

Within the U.S. government, pressure for additional disengagement from South Africa came from debates at the United Nations and from Africa Bureau contacts with African countries. Those within these

branches of the State Department sought measures to improve the U.S. image. But they operated within the constraint that sanctions, as demanded by the United Nations majority, were ruled out. Much of their energy, therefore, went into finding a succession of excuses for inaction.

RULING OUT SANCTIONS

For wholehearted backers of the African cause, the case for sanctions was simple. Anything that would weaken the apartheid regime, militarily or economically, would strengthen its opponents. Though no one could predict the precise scenario, the combination of pressures would eventually force concessions, as had happened in anticolonial campaigns in other countries. If states at the UN meant what they said in condemning apartheid, it was logical to back moral isolation with substantive action. The purpose was seen as a transfer of power, with a state based on universal principles of majority rule and equal rights replacing one that limited political rights and social privilege to whites.

In the Western contexts that often defined the debates, however, sanctions were most commonly presented as the *alternative* to violent revolution. To the moral incentive of opposing apartheid, proponents of sanctions or of milder forms of economic disengagement added the specter of future violence. This prospect augmented the urgency of the appeal and, for many, brought in a self-interested anticommunist dimension. If the West, which could alone implement sanctions, did not act, then it would lose influence with the "colored peoples" of the world, and nationalist human-rights protesters would turn to radical ideologies and guerrilla warfare. The Soviet Union and China (then still assumed to be a bloc) would encourage violence, supply weapons, and supplant Western powers in southern Africa and around the continent.

It was this logic that underlay liberal arguments in the U.S. government for additional steps of disengagement from South Africa. It was also at the heart of one of the strongest liberal appeals for sanctions, Colin and Margaret Legum's *South Africa: Crisis for the West*. "There is no chance whatever that the present anti-communist white government can be sustained in power for more than a few years, even if the West were to give it wholehearted support. What is important now is the government which succeeds it," they wrote in 1964.²⁸

But such an argument depended on the existence of a credible African military threat. Neither the independent African states nor guerrillas in South Africa were able to mobilize such a threat. Indeed, most Western liberals discouraged them from trying, arguing instead for patience. The South African state, meanwhile, successfully organized the violent

repression both of peaceful protest and of the beginnings of sabotage. Had the repression been less successful, further loss of confidence in the West might have produced greater willingness to consider moves in the direction of sanctions. As it happened, the next major step—a mandatory arms embargo at the United Nations—was not to come until 1977, after the fall of Portugal's empire and a resurgence of internal protest seemed once again to threaten Pretoria's stability.

If the major justification for sanctions was to forestall violent revolution, then one could also argue that repression, however unsavory, could accomplish that task. The conservative opponents of sanctions stressed that far from preventing violence and revolution, they might actually hasten such an outcome. The South African regime would hardly be persuaded by mild pressures, and escalation might lead to international military measures and/or to an African upheaval that would be difficult to control. Those who identified with African liberation and saw the downfall of apartheid as the major objective could accept such a denouement as the necessary price of freedom. But for those who feared revolution more than they abhorred racial inequality, the arguments against sanctions—as long as there was stability—were powerful.

In short, if one accepted the objective of a pro-Western anticommunist stability in South Africa—and virtually all Western policymakers did—it made sense to apply significant pressures against apartheid only if its opponents posed a realistic threat of escalating unrest and disruption. Otherwise, it was logical to confine anti-apartheid actions to symbolism.

In the early sixties, one could make a moderately plausible case predicting escalation. But by 1963–64 the clandestine networks of resistance in South Africa had been virtually dismantled by the security police. Activists who had hoped that international support might add to the impetus of their campaigns were forced to conclude that, for those who had the power to take action, anti-apartheid sentiment was to be confined to marginal gestures.

By late 1961, if not earlier, it seems clear in hindsight, South Africa's ability to resist change was secure. The Commonwealth withdrawal would carry no penalty of substantive reduction of Western ties. The African National Congress, though it was able to carry on clandestine organization, had little effect with its attempt at a nationwide general strike on May 31, the day South Africa became a Republic. Coincidentally, perhaps, a U.S. naval task force was visiting Durban, South Africa. United States marines demonstrated flamethrowers and machine guns, while helicopters flew over African locations. According to social scientist Pierre van den Berghe, who was then teaching in Durban, "almost all Africans interpreted the American visit as a show of force in support of Verwoerd."²⁹

In November 1962, African lobbying at the United Nations brought a sixty-to-sixteen vote for a resolution calling on member countries to break off diplomatic relations with South Africa, to forbid shipping contacts, to boycott South African goods, and to refrain from exports to that country. The United States and Britain voted in opposition. Only three months earlier, in August, ANC leader Nelson Mandela, who had left South Africa secretly to lobby for international support and then returned to clandestine organizing, was arrested and began more than two decades of imprisonment.

In May 1963 the formation of the Organization of African Unity gave a boost to African diplomacy. But, African diplomats noted later that year, "the Americans and Britons have openly told us that they will not change their position and that their economic links with South Africa are much more important to them than our condemnation of the policy of apartheid."³⁰ That same year, the United States assigned to South Africa part of the sugar quota that had been taken from Cuba. The State Department's Africa Bureau, which learned of the decision only after it had been made, had no leverage to question the *fait accompli*, decided under the covering assumption that South Africa was a legitimate member of the "free world" community.

The ANC's military wing, Umkhonto we Sizwe, began sabotage against key installations in December 1961, twenty-one months after Sharpeville. But with few trained cadres and no friendly sanctuary close to South Africa, the prospects for a full-scale guerrilla offensive were minimal. And in August 1963 the security police struck a crippling blow by capturing many of ANC's top leaders at a meeting in the suburb of Rivonia.

For more than a decade, though anti-apartheid campaigners persisted, it was not South Africa but South West Africa and Rhodesia that were the arenas for pressing the limits of international action against white-minority rule. These cases also show the reluctance of the Western powers to disengage from substantive support of the white regimes, even when they officially joined in condemnation and, in the Rhodesian case, adopted mandatory sanctions.

With All Deliberate Delay

Sir Charles Arden-Clarke, the British chairman of the Good Offices Committee on South West Africa, speaking to the Royal Commonwealth Society in London in December 1959, paid tribute to the South African govern-

ment's "desire to reach a mutually acceptable base for agreement" and complained that the United Nations General Assembly had harped on the theme of "apartheid."³¹

As he spoke, it was indeed apartheid that was at issue, not only at the United Nations, but in Windhoek, the capital of South West Africa. South African officials there, determined to resettle Africans from Windhoek's Old Location into a more controllable township, were facing rising opposition. Under the leadership of former railway worker Sam Nujoma, the people were refusing to be moved.

On December 9, women from the location marched on the South African administrator's residence and were met by police tear gas. The following day, the South African authorities fired on crowds of Africans, killing eleven and wounding fifty-four. Many leaders were deported to Ovambo-land in the north. Sam Nujoma, repeatedly arrested, succeeded before he fled the country in overseeing the reorganization of the newly renamed South West African People's Organization (SWAPO). The removal of Windhoek's blacks from the Old Location went ahead.

The Windhoek massacre, as it came to be called, preceded Sharpeville in South Africa by three months, and came to have similar symbolic importance for Namibians. Still, the nascent SWAPO was not banned as an organization. The hope persisted that the territory's special international status might provide some protection and, eventually, movement toward independence.

In 1960 Ethiopia and Liberia, the two African UN members who had belonged to the League of Nations, filed a complaint with the International Court of Justice. The Court was asked to rule "whether the UN had supervisory authority and whether South Africa was violating its obligations under the Mandate by, among other things, imposing an extreme form of racial discrimination upon the 'non-white' inhabitants of the Territory."³²

This legal initiative, endorsed by African countries, can also be seen as an American effort—not of the U.S. government, but of the "pro-UN" component of the U.S. foreign-policy establishment. Chief Counsel Ernest A. Gross, a Wall Street lawyer who had served as representative to the UN under President Truman, was highly regarded in these circles. Gross authored a book on the United Nations for the Council on Foreign Relations in 1962. His advisory group for the book included Philip C. Jessup, who had served with him at the UN, and was appointed as the U.S. Judge on the World Court in 1961.

From the liberal establishment point of view that Gross represented, international law could be a real force for giving teeth to UN resolutions, inducing South Africa's major trading partners "to take effective action in

support of the rule of law."³³ If the World Court should give a definitive ruling, the Security Council could act under Article 94 of the UN Charter, rather than having to find a "threat to international peace and security."

To others in U.S. policy circles, however, the virtue of the legal approach was less its potential for stronger action than its immediate use as a rationale for delay. In the United Nations, the argument that one should wait for the Court's ruling could serve as a damper on calls for sanctions.

Most UN members agreed with Ethiopia's UN Ambassador Endalkachew Makonnen that previous Court rulings were sufficient for the UN to take political action, and that the new judicial appeal had been justified primarily by "deference to many of our friends in Europe, the United States and Latin America."³⁴ African states in particular rejected the argument for delay.

Still, the pace of the UN's deliberations was slow. In 1961 a UN Committee visited African countries to interview exiles from South West Africa. South Africa refused them entry, and British authorities banned them from Bechuanaland when they declined to pledge not to cross the border into South African-controlled territory. In 1962 a UN delegation visited the territory, but its visit ended in total confusion as Filipino chairman Victorio Carpio first issued, then repudiated, a joint communiqué with South Africa. Subsequent resolutions in the General Assembly repeated condemnation of South African rule. In November 1963 the General Assembly called for an oil embargo. The vote was eighty-six in favor, six (including the United States and Britain) against, and seventeen abstentions.

In 1964, South Africa published the report of the Odendaal commission, which laid out plans for separate ethnic homelands, or Bantustans, in accord with the apartheid ideology. Fearful that this might precipitate an interim World Court decision, the United States and Britain acted quickly.

In February 1964 the U.S. and British ambassadors in Cape Town presented aides-mémoire to the South African foreign minister asking for delay. Averell Harriman spoke to the South African ambassador in Washington, stressing the "fear that South African government action in South West Africa might precipitate the issue into the Security Council."³⁵

If the Court ruled against South Africa and that country refused to comply, a White House briefing paper reasoned, "we may be faced with the most difficult of decisions: (1) whether to uphold the arm of the Court and respect for international law through additional measures, including sanctions as a large majority of nations will be pressing us to do, or (2) to adopt a negative position which might involve us in our first veto on the worst possible question."³⁶

The paper summarily rejected full support for South Africa or immediate support for sanctions, leaving three options:

- (1) Go along much as we have in the past, declaring our abhorrence of apartheid and decrying South African refusal to observe the Mandate, but avoiding a showdown and carrying on business as usual;
- (2) Take a lead . . . in instituting graduated pressures against South Africa in order to influence the course and degree of such pressure . . . with a strategy designed to strengthen moderate elements in the Republic and bring about a modification of internal policies of apartheid;
- (3) Seek to delay major UN confrontation . . . until after the ICJ judgment on the merits in the spring or summer of 1965, using the time gained to analyze alternative measures open to us in the event of major confrontation.³⁷

In National Security Action Memorandum 295, the president adopted option 3, authorizing diplomatic activity and pressures on South Africa to delay implementation of the Odendaal report. These included suspending action on South African requests for arms that might be exempt from the arms embargo and on loans or investment guarantees by U.S. government lending agencies. Contingency plans for standby alternate tracking facilities were to be readied. But these actions were not to be made public. An additional proposal for warning U.S. private investors of risks was rejected. The urgent campaign of pressure, with the eminently diplomatic goal of delay, appears to have worked, as South Africa temporarily held off on its Bantustan plans. The government expressed its intention to "refrain from action . . . which may unnecessarily aggravate or extend the dispute before the Court."³⁸

As a result, there was no request from Ethiopia and Liberia to the World Court for an interim decision. New U.S. or UN action was successfully postponed until after the Court ruling, expected in mid-1965. NSAM295 gave the State Department's Africa Bureau ammunition for internal bureaucratic argument against "exceptions" to the arms embargo on South Africa, such as a proposed sale of Lockheed antisubmarine aircraft that was turned down in November 1964.³⁹ But other routine measures of cooperation with South Africa were approved, such as a shipment of nuclear fuel. United States officials stressed to South Africa the necessity that "publicity on our shipment be minimized."⁴⁰

In 1962 the Court had overruled preliminary objections to accept jurisdiction over the South West Africa case. Four years later, the justices reversed themselves, deciding that they could not consider the merits of the case. Australian Judge Sir Percy Spender, president of the court, who in 1962 had cast his vote against consideration, disqualified a Pakistani judge and cast two votes himself to break a tie. The new majority held that Ethiopia and Liberia had no standing in the case, since they had no particular national interests at stake, but only the international interest in upholding the League's responsibility for the mandate.

When the Court handed down its unexpected ruling, U.S. officials were said by the *New York Times* (July 20, 1966) to be surprised and saddened by its failure to decide against South Africa but "also relieved by the delay of a dreaded diplomatic crisis."

The case was thus thrust firmly back into the political arena, leaving untested the applicants' hopes for reinforcement of the rule of law. Even with additional legal rationale, however, it is doubtful that the two key Western powers would have accepted substantive sanctions against South Africa.

United States Ambassador to the UN Arthur Goldberg thought that the United States would have to support credible sanctions, and a State Department message before the ruling warned South Africa that the United States would have to see that it was enforced. After the ruling the General Assembly passed a resolution at Goldberg's initiative that said South Africa had forfeited all rights to the territory, and called for "effective measures" to install UN authority.

But in top policy circles Goldberg was an isolated figure. He had to appeal directly to President Johnson to get the UN resolution approved, over opposition by most State Department officials.⁴¹ The balance of U.S. opinion opposed mandatory sanctions against South Africa under any circumstances. As one NSC staff member affirmed, no one—including the South Africans—believed the United States would actually do anything.⁴²

One major obstacle would have been British reluctance to agree. An indicator of the possible British response can be found in Dennis Austin's *Britain and South Africa*, a book that emerged out of a study group at the Royal Institute of International Affairs and was published in 1966 before the Court's ruling. UN sanctions, Austin contended, would be harmful to Britain, to the UN, and to South West Africa itself.⁴³ There were few if any dissenters in British policy circles.

Prior to taking office in October 1964, the British Labour Party had made occasional strong statements on issues in southern Africa. But the Wilson government opposed economic sanctions that might endanger British trade and exacerbate balance-of-payments problems. There is no evidence that a different international legal context would have altered this determination.⁴⁴ Wilson's memoirs, over seven hundred pages long, have no mention at all of South West Africa.⁴⁵

A parallel policy book from the Council on Foreign Relations (CFR), Waldemar Nielsen's *African Battleline*, while advocating more U.S. sympathy for African views, was cautious on specifics. Nielsen conceded that the United States might eventually have to give in to mandatory sanctions, in order to affirm the "fundamental and controlling" importance of the rule of law. But such a course, he implied, should be delayed as long as possi-

ble. "Because of the ominous implications of a showdown in the United Nations over South West Africa, and in view of its uncertain outcome, it is of the highest importance that U.S. policy be actively directed to averting such a confrontation."⁴⁶

Though the United States talked of pressure on South Africa, there were no agreed contingency plans for what those pressures would be if the Court ruled as expected against South Africa. And general sentiment among top officials was highly skeptical of the use of sanctions. "Many Afro-Asian countries," a 1965 CIA memo commented, "refuse to recognize the military, political and economic realities involved in a boycott of South Africa, or the fact that boycotts simply do not work."⁴⁷ The three-page document gave no consideration to what effect sanctions might have on weakening South Africa or to what other courses of action might be more effective. Nor did it note the inconsistency of this general point with the boycott the United States was pressing against Cuba. Even within the Africa Bureau and the delegation to the United Nations, where there was sentiment for increased pressure, the comprehensive sanctions that African states proposed were viewed as "extreme."

The Court's failure in 1966 removed practically the only rationale for sanctions that was at least regarded as legitimate within Western policy circles. South Africa went ahead with its scheme for apartheid in South West Africa, confident that international reprisals would be ineffective. SWAPO, which had grown increasingly skeptical of UN failure to act, launched its first guerrilla attacks in northern Namibia, as they were beginning to call their country. The scale of the fighting was limited, and logistical difficulties immense, with the only friendly border that of the narrow Caprivi Strip with Zambia.

In the wake of the fighting, South Africa arrested thirty-seven key SWAPO leaders. Kept in solitary confinement for months and subjected to torture, the group was put on trial in August 1967 in South Africa, under a newly passed, retroactively effective Terrorism Act.

SWAPO leader Herman ja Toivo, speaking from the dock in February 1968, defended his actions. "We are Namibians and not South Africans," he said. "We do not now, and will not in the future recognize your right to govern us. . . . Is it surprising that in such times my countrymen have taken up arms? Violence is truly fearsome, but who would not defend his property and himself against a robber? And we believe South Africa has robbed us of our country." Ja Toivo, long an advocate of nonviolence, described the impact of the Court decision: "Whilst the World Court judgment was pending, I at least had that to fall back on. When we failed, after years of waiting, I had no answer to give to my people."⁴⁸

The UN also had no answer. The General Assembly had officially re-

moved South Africa's mandate and established a Council to rule the territory. Britain abstained on the vote revoking the mandate, and both the United States and Britain on the resolution establishing the Council. A unanimous Security Council resolution in January 1968 condemned the Terrorism trial, and a March resolution again threatened "effective measures" if South Africa did not release the prisoners, twenty of whom had received life terms. But the Western powers, voting in favor, also noted that they were making no commitment to any specific measure. A July General Assembly resolution renamed the territory Namibia, but this time a call for "effective measures" resulted in Western abstention, though only South Africa and Portugal voted against the ninety-six-vote majority opinion.

SWAPO's claim for independence was winning increased international legitimacy, later to be confirmed by new World Court rulings. But *de facto* Western cooperation with South African control was virtually unaffected. Not only were sanctions not adopted, but the West did not use the economic leverage it had on the highly dependent Namibia to advance the cause of independence.

The Namibian economy, highly concentrated in mining and other primary production, was dominated by a few large firms, British and American as well as South African. There were abundant possibilities for a range of pressures on the South African administration, focused on Namibia in particular.

The giants of the Namibian economy in the 1960s were Consolidated Diamond Mines (a subsidiary of De Beers), Tsumeb Corporation (65 percent owned by AMAX and Newmont of the United States, with minority shareholding from Britain and South Africa), and the British-based South West Africa Company (SWACO). CDM and Tsumeb alone provided some 90 percent of mining production. The three companies' capital assets were estimated to exceed the country's annual Gross Domestic Product (some \$300 million in 1965). Mining accounted for more than half of total exports and contributed an average of 40 percent to 50 percent of government revenue.

The concentration of assets in the hands of foreign companies also meant that in the 1960s roughly one-third of GDP was transferred out of the country, a particularly high level even for mineral-producing Third World countries. Namibia showed an extraordinary contrast of wealth and poverty. At \$725 in 1970, Namibia had one of the highest GDP/capita figures on the continent, but for blacks the average was only \$250, less than at least ten other African countries. Key foreign companies, in contrast, enjoyed enormous profits. Oppenheimer's CDM, for example,

earned some \$70 million in profits annually, while paying wages to Africans averaging \$70 a month.

When Oppenheimer met with President Lyndon Johnson in September 1964, a White House briefing paper informed the American president of the South African magnate's "human policies toward his African workers," noting that he thought African countries and the UN should not "interfere," and commenting that Africans were "too emotional to approve his [Oppenheimer's] relatively moderate position."⁴⁹ The president was advised to praise Oppenheimer's ideas for increasing investments in black Africa and to ask him to use his influence for compliance with the anticipated World Court judgment. Failure to reform, the president was to remind Oppenheimer, "is making it increasingly difficult for [South Africa's] friends."⁵⁰

The basic U.S. stance, as the meeting with Oppenheimer indicates, was friendly encouragement of a South African accommodation, a position far from a challenge to legitimacy of South African control. There was no hint that the West might employ coercive pressures as well as persuasion.

AMAX and Newmont were just as willing to show confidence in South African control as the South African-based CDM. Tsumeb, described as one of the richest base-metal mines in the world, returned an average profit on total investment of 31 percent annually in the sixties, while paying an incredibly low twenty-eight dollars monthly average wage for Africans. The African wage bill amounted to some 3 percent of revenues, for some 80 percent of the work force. Dividends to Newmont averaged \$4.6 million a year from 1960 to 1969, while AMAX received about \$4.2 million annually. No wonder that President Plato Malozemoff of Newmont commented, after a 1963 strike was suppressed, that his company was fortunate to enjoy the goodwill and cooperation of the South African government. "We know the people and the government," his vice-president had told a mining convention the previous year, "and we back our conviction with our reputation and our dollars."⁵¹ In the early sixties a \$25 million expansion program including a copper smelter and a new mine confirmed the executive's words.

The companies—both South African and Western—were more sympathetic to South Africa's efforts to fend off world opinion than to UN demands for Namibian independence or appeals for respect for international law. Nor did the U.S. government put pressure on the companies, by measures such as full or partial prohibition of new U.S. investment, prohibition or restriction of trade, or removal of double-taxation exemptions.⁵² Such instruments of influence were ruled out virtually *a priori*. Policy-makers were well aware that the companies would resist and that they had access to the top levels of power in London and Washington.

AMAX and Newmont, for example, were prominent in the United States as well as in Namibia, closely linked to the New York financial community and to influential opinionmakers on foreign policy. Multimillionaires Harold and Walter Hochschild of AMAX were prominent supporters of the Council on Foreign Relations and of the African American Institute (AAI). These organizations included virtually all the significant figures relevant to Africa policymaking. AMAX's board in the sixties also included Arthur H. Dean, of John Foster Dulles's law firm Sullivan and Cromwell, and Gabriel Hauge, head of Manufacturers Hanover Bank as well as treasurer of the CFR. In later years, former President Gerald Ford and Carter's Secretary of Defense Harold Brown would also join the board.

Newmont's board was only slightly less prominent, with Truman's former Secretary of State James Byrnes, André Meyer of Lazard Frères (one of New York's leading investment bankers), and Lewis W. Douglas, chairman of Mutual Life Insurance of New York and former ambassador to London, as well as brother-in-law of the foreign-policy establishment's informal chairman, John J. McCloy.

With such an array in favor of business as usual with South Africa—and certainly any dissent from that view was well concealed if it did exist—one can see why policymakers would hesitate before the prospect of sanctions. The obstacles to effectiveness lay not only in South Africa's potential for resistance, but even more among the leadership of the countries that presumably would enforce them.

The participation of some of the directors was not only potential. Lewis Douglas, for example, visiting South Africa in June 1964 on an annual visit—he served as director not only of Newmont but also of the South African Union Corporation—met with Prime Minister Hendrik Verwoerd. On his return he conferred with President Johnson and with coordinator of Africa policy Averell Harriman.

A State Department notetaker reported that Douglas had affirmed to Verwoerd his "very real friendship for South Africa," but suggested some gesture to the outside world, such as perhaps restoration of Coloureds to the voting role, in order to "provide USG [U.S. government] with an excused [sic] to help support it [South Africa] in international councils against its enemies." When Verwoerd displayed his characteristic intransigence, Douglas "said he was not suggesting that South Africa should commit national suicide. He was merely urging that it take some small measure to relax tensions. He conceded that it might take 100 to 150 years to reach goal in which substantial portion of the people of country are represented at the polls but he urged a beginning be made in this direction in order to permit US to give SA greater support."⁵³

Douglas's frustration at Verwoerd's total lack of flexibility did not lead

him to question the basic U.S. stance of friendship toward white South Africa. And, he commented to Harriman, Ambassador Joseph Satterthwaite was "doing a good job in an impossible situation."⁵⁴

Satterthwaite's own views were capsulized in an April memo that year to the State Department, in which he endorsed the United Party approach to South West Africa—separate legislative councils for northern and southern South West Africa, with the northern council providing for black as well as white membership. The United States should recognize, he argued, that "one-man-one-vote in unitary state is no more feasible in SWA than it is in republic."⁵⁵

The views of Douglas and Satterthwaite were not isolated exceptions among those with influence on U.S. policy. Rather they were typical of the ethnocentric frame of mind among top policymakers and their friends, and were rooted in a broader network of contacts with white South Africa that continually reinforced "business as usual" attitudes. In 1964 the United States and Britain temporarily mobilized pressure to delay implementation of apartheid in Namibia. But as that policy was put into effect, and guerilla war escalated, further pressures were held in abeyance, in favor of a succession of diplomatic initiatives that left South Africa in control of the territory.

The Sanctions Charade

When the United States and Britain pressured South Africa to delay the Odendaal plan in 1964, they achieved a temporary delay. The following year, in Rhodesia, white settlers under the leadership of Ian Smith's Rhodesian Front rejected similar British appeals for delay. Declining further negotiation for British recognition of their independence, they issued their Unilateral Declaration of Independence (UDI) on November 11, 1965.

This resulted in diplomatic and economic reprisals from Britain and eventually in mandatory UN sanctions. The international confrontation with "rebel Rhodesia" continued until an independent Zimbabwe emerged almost fifteen years later. The conflict provides, on the face of it, the strongest evidence that Britain and other Western countries opposed the interests of white settlers in southern Africa, living up to their formal statements in favor of self-determination and equal rights.

Yet a closer examination reveals the restricted parameters of the British-Rhodesian confrontation. British governments—Labour and Conservative alike—despaired over Ian Smith's stubborn refusal to admit the

possibility of majority rule even "in a thousand years." Without such flexibility, a British blessing for Rhodesian independence could not be defended to Commonwealth and world opinion.

But in large measure the confrontation was, from the British side, a charade designed for that international audience. Zimbabwean nationalists and African states aimed at the fall of the white-settler regime and its replacement by one based on a universal franchise. Britain had more limited objectives. The "moderate" solutions advanced by the British government, before and after UDI, would have allowed the continuation of white-minority rule, provided only the principle and the future possibility of majority rule was admitted.

In seeking Rhodesia's return to legality, moreover, a wide range of means of pressure was ruled out. Not only was there to be no British use of force against Rhodesian whites, but any sanctions that raised the possibility of confrontation with South Africa or Portugal were also excluded. Any actions by African nationalists that might provoke a "breakdown in law and order"—a term not applied to Smith's own illegal action—were strongly discouraged. While claiming that it had no physical power to restrain Smith, Britain used its legal responsibility for the territory to delay and restrict more militant measures urged in the United Nations or the Organization of African Unity.

AVOIDING A CONFRONTATION

Britain's limited objectives were already visible in the period before 1965, as the Central African Federation dissolved into its component parts and white settlers in Southern Rhodesia turned their attention to capping their control of local affairs with formally recognized independence.

The *de facto* administration had been responsible to a white electorate since 1923. Under a restricted franchise, in November 1960, the total electorate of 75,061 included only 3,129 Africans (at some 4.2 million people, they outnumbered the country's white population twenty to one).⁵⁶ Britain had residual rights to review discriminatory legislation, but this had a marginal effect at best.

The white political spectrum was divided between two polarized options. The Rhodesian "establishment," then in office, was represented by the United Federal Party under Sir Edgar Whitehead, generally favored by the large business interests, as well as by British and American officials. Its policy of partnership harked back to Rhodes's slogan of "equal rights for all civilized men," envisaging the gradual removal of racial restrictions. An Industrial Conciliation Act in 1959 eliminated legal racial distinctions in labor negotiations, and a government-appointed committee in 1960 recom-

mended that "land in general whether urban or agricultural should be purchasable by anyone, anywhere, irrespective of race or colour."⁵⁷ Whitehead formally opened the upper grades of the civil service to Africans, predicting that in twenty years an African might actually hold a top post.

The white opposition, its electoral strength among farmers and skilled white workers, opposed any concession to African advancement. If any Africans should actually become members of parliament, the Dominion Party's William Harper told the assembly in August 1960, "they will share the restaurant with us. . . . what sort of legislation can the people of this country expect when we ourselves are being conditioned to living cheek by jowl with Africans?"⁵⁸

Both white factions agreed that Rhodesia should be protected against the precipitous advance of African nationalism and the democratic principle of a universal franchise. British authority, busily giving in to such trends in the territories to the north, was seen as a threat. However minimal the British governmental presence, it kept alive the fear that someday it might bring African nationalists into power in Salisbury.

Whitehead, as well as his opponents, therefore sought to loose the remaining bonds of British sovereignty. In negotiations that resulted in a new 1961 constitution, both sides thought they had made substantial progress toward a mutually acceptable independence.

That constitution eliminated Britain's power to veto Rhodesian legislation. A residual right of appeal to the Privy Council in London applied only to new discriminatory legislation, not to the host of such laws already on the books. The number of legislative seats was expanded from thirty (all white) to sixty-five, including fifteen, with lower franchise requirements, for Africans.

Whitehead, addressing the UN in 1962, said Africans might achieve a majority under this system in fifteen years. Others said as long as fifty. Even then, of course, the white minority would still have representation vastly disproportionate to its numbers. And the speculative pace depended not only on African educational and economic advance, but also on trust that the white rulers would not again change the rules to ensure further delay.

African nationalists led by Joshua Nkomo, who had been persuaded by the British to attend the constitutional conference, were advised to trust the "moderate" whites of the Rhodesian establishment. They had little faith, however, in a government that had banned their organizations, enacted tough security legislation, and proclaimed the need to restrict the franchise on the basis of "civilization." Fifteen seats were seen as meaningless window dressing. Nkomo and other leaders organized an effective boycott of the December 1962 elections.

To the dismay of British officials, Whitehead was defeated by the new Rhodesian Front, which saw any token concession to African representation as a dangerous foot in the door. The "planters" and "cowboys" of Winston Field and Ian Smith took over the reins of government. Subsequent British policy focused on the vain effort to restore "moderation" among the white Rhodesian rulers. Appealing sometimes to the Rhodesian Front leaders, and sometimes over their heads to other whites, the British government tried to persuade the settlers that intransigence was not really in their interest.

Between 1962 and 1965, first Macmillan and then Labour Prime Minister Harold Wilson argued with the Rhodesian government, which demanded independence on the basis of the 1961 constitution. The Conservative government insisted that Salisbury take some additional steps toward African advancement, such as lowering franchise requirements and repealing the Land Apportionment Act. The Labour Party, in opposition, denounced the 1961 constitution. During the 1964 British elections, Wilson told Zimbabwean nationalists that the Labour Party was "totally opposed to granting independence to Southern Rhodesia as long as the country remains under a white minority."⁵⁹

Once in power, Wilson was repeatedly to backtrack from that commitment. But his statement confirmed Rhodesian suspicions that Labour compromise proposals, however attractive, would ultimately give the edge to African nationalism.

After the 1964 election, Wilson abandoned the idea of "no independence before majority rule" in favor of "unimpeded progress to majority rule." In other words, Ian Smith's party would remain in charge, but would take various steps to show its commitment to eventual majority rule. In a visit to Rhodesia in October 1965, Wilson stressed that progress would be measured by "achievement," a code word for African conformity to white standards.⁶⁰ But no proposal for compromise could dissuade Smith. The next month the regime proclaimed its formal rejection of British authority.

United States officials shared the British advocacy of the "white moderates" in Southern Rhodesia. In September 1961, Assistant Secretary of State Mennen Williams commented after an African trip that "there is a most hopeful philosophy of transition to self-government and independence" in the Federation.⁶¹ In October 1962, Williams admitted that Africans would no longer accept the kinds of reform embodied in the 1961 constitution. "The United States," he concluded, "is hopeful that Britain once again will be able to come up with some kind of policy which will bridge the present gap."⁶²

Even after Whitehead's defeat, Williams seemed to think U.S. influence

might avert a confrontation. The United States should remind Britain of its responsibilities and warn against white-minority independence. It should support constructive UN pressure (such as a vote against UDI), and formally oppose "counterproductive proposals in UN (e.g., demand for abrogation of present constitution)." ⁶³

On the increasingly strong UN votes condemning British policy, Williams advised abstaining rather than voting in the negative. "If we want to help the British, and in this case they certainly seem deserving of our help, we can do so only in so far as we can influence African nationalists," he argued in 1963. ⁶⁴ Overruled on an October 1965 vote, Williams protested that "an abstention might have been equally helpful to the UK and would have saved some of the meagre credit we have left with the Africans." ⁶⁵

In this same period, African nationalists held out hope that London would ultimately tilt the balance for them toward majority rule. After all, this was happening in the other two territories of the Federation. The nationalists strongly criticized Britain for concessions to the white settlers, but still it was to Britain that they appealed for action time and again.

From 1959, Nkomo's African National Congress and its successor organizations—eventually the Zimbabwe African People's Union (ZAPU)—were each banned, and large numbers of activists detained. In 1963, debate over formation of a government-in-exile combined with personal rivalries to produce a split, with Nkomo's opponents in the movement forming the Zimbabwe African National Union (ZANU). The division, which was to persist bitterly even into the postindependence period, added its debilitating effects to the police actions of the white government. Clashes in African townships pitted followers of one group against the other, distracting from the campaign against their common enemy. In 1964 new bannings and the redetention of ZAPU and ZANU leaders cleared the way for UDI; many of the top African nationalist leaders were to spend most of the next decade in detention.

On a small scale, the nationalists and their followers turned to arson and other attacks on white property; a few whites were killed in isolated but well-publicized incidents. The violence was not part of a plan for sustained guerrilla warfare, however, but rather a demonstration and an appeal for Britain to act.

Economically and strategically, the country was within the British sphere of interest. If the full weight of the British presence were to be used as leverage, it clearly could prevail against the settler minority. But the British government not only had no powers of effective administration; it also lacked the will to exert its potential power.

THE RESPONSE TO UDI: WEEKS, MONTHS, OR YEARS

Many observers, including American Ambassador to Zambia Robert Good, argued that a quick, decisive blow against Smith might have established British authority in Salisbury.⁶⁶ But success would have required British willingness to use force, to go immediately to all-out economic warfare, or to appeal to Africans and other loyal British citizens in Rhodesia to rebel. All these measures were ruled out in advance.

If the British government had decided, as the Africans wanted, to "take charge," it would have had to face not only the rulers in Salisbury, but also a strong faction within the Conservative Party favorable to Smith. It would have antagonized the many British citizens in white southern Africa, who might not support Smith's extreme views, but would vigorously denounce any strong action against him. It would also have had to abandon the deeply rooted assumption that Rhodesia's whites were to be persuaded, not forced, to accept the idea of majority rule.

This assumption was clearly apparent in 1963, when Macmillan's government resorted to a Security Council veto of a resolution "not to transfer to its colony of Southern Rhodesia the armed forces and aircraft [of the Federation]." The white government would be "responsible," it was assumed, and UN representative Sir Patrick Dean pledged this military capacity would not be available for "external adventures."⁶⁷

The same premise persisted into the Labour administration of Harold Wilson, who repeatedly promised not to use force against Rhodesia's whites. If his reasons had been purely the difficulties involved—logistics, cost, and possible objections by troops to fighting against "kith and kin"—he could still have retained the option as a bluff to deter Rhodesian action. His willingness to abandon such a negotiating card, often characterized by liberal critics as inexplicable, makes good sense if one sees it as deference to the political backers of the link to white Rhodesia. In parliament, Wilson had a narrow majority of only one seat in November 1965. More broadly, he was concerned with maintaining the confidence of Britain's creditors and financial establishment.

There were those, in the Labour and Liberal parties as well as in the press, who urged the use of force. The Archbishop of Canterbury, on behalf of the British Council of Churches, assured the Prime Minister in late October of backing for such action if taken to uphold Britain's obligations to the majority of the people of Rhodesia. Some thirty-five members of parliament joined in support.⁶⁸ But Wilson was more responsive to opinion on his right. He said he could only consider using force if the

Governor, representing Britain in Salisbury, should request help in preserving law and order.

The implication was clear: if Smith could suppress domestic resistance, he could get away with UDI. Only the threat of disorder—the failure to control the Africans—could provoke the sending of British troops. But Zimbabwean nationalists were hardly able to mount such a threat, nor were they encouraged by Britain to try.

Instead Britain opted for economic sanctions. But these were implemented so inconsistently that white Rhodesia held out while the British government repeatedly weakened its negotiating position in the effort to reach a settlement.

In the four and a half years of negotiations after UDI between Smith and Wilson, Zimbabwe's Africans and their supporters were little more than a critical chorus in the background as Wilson offered a succession of compromises designed to tempt Smith back into "legality." In December 1966 Wilson offered a constitutional proposal that would enable an African parliamentary minority to block "retrogression," while leaving whites with an effective majority. On this basis, sanctions would be lifted immediately. A nominal British authority would preside over a four-month interim period before independence, but the Rhodesian Front would maintain administrative and security control.

These proposals left "unimpeded progress towards majority rule" dependent on the forlorn hope that the white electorate would miraculously become liberal, or the African population so prosperous as to qualify in vast numbers for the franchise. Still, Smith and his supporters, fearful that interim British authority would be used against them and disinclined to even symbolic compromise, rejected the deal.

Subsequently, Wilson agreed to selective mandatory sanctions and reverted to his preelection pledge of "no independence before majority rule." Scarcely two years later, in October 1968, the two leaders were discussing new British proposals even more tilted toward Salisbury. Smith had told an interviewer that the principle of majority rule could only go over in Rhodesia if the whites were convinced it really meant nothing for the next hundred years.⁶⁹ The new terms moved in that direction, as law professor Claire Palley calculated that the year 2004 was the earliest possible for majority rule under their terms.

The old Rhodesian establishment argued that the deal would provide adequate protection against "irresponsible hands" taking charge of government and that a settlement would permit an influx of new investment. Still, for Smith and his party, no concession was acceptable. As the Labour government went out of office in June 1970, the prospect of a settlement was still remote.

The embargo on most Rhodesian exports and imports did impose costs on the Rhodesian economy. But, whether judged by the African objective of majority rule or by the more restricted British goal of return to legality, their impact was limited. The first ten years after UDI saw, in fact, substantial growth, with GDP per capita rising by some 3.5 percent a year.⁷⁰ Essential trade was maintained and financial links sustained through South Africa and other networks. And the isolation that did exist was even a spur to new investment in domestic manufacturing to substitute for more expensive imports.

One reason for this failure was the gradual pace, which enabled Rhodesia to prepare countermeasures. Britain acted unilaterally in late 1965 to block selected trade and financial transactions, while the Security Council adopted a call for voluntary cutoffs of all economic relations with Salisbury. But it was only in December 1966, more than a year after UDI, that Britain agreed to a Security Council resolution ordering mandatory sanctions on key Rhodesian trade. Finally, in May 1968, the Council adopted comprehensive mandatory sanctions.

Most crucial to the failure, however, were self-imposed limitations. The British government was determined to prevent the escalation of sanctions into all-out economic warfare—the objective was not to defeat Smith but to make him “reasonable.” It was taboo to focus on the obvious involvement in sanctions-breaking of South Africa and Portugal, or of British, American, and other multinational firms with subsidiaries in the region. Instead, the world was urged to consider a variety of smaller gaps and loopholes in sanctions. Having decided that the mainstream of economic commerce with Rhodesia could or should not be dammed, Western policymakers did their best to pretend it did not exist.

Critics to the left and right of the British government freely predicted that sanctions would fail if there were no efforts to close the giant South African loophole. Yet for most sectors of public opinion in the West, the British government succeeded in dominating the discussion and diverting attention from the obvious. The massive evasion of sanctions was so taken for granted that it largely became invisible.

In no area is this farcical face of sanctions more apparent than in the case of oil.* During October and November of 1965, the multinational oil companies helped Rhodesia build up its oil stocks. It was a month after UDI before Britain made it illegal for British citizens or companies registered in Britain to promote the supply of petroleum to Rhodesia.

* It was only in the late 1970s, after journalists Martin Bailey and Bernard Rivers tracked down a succession of leads to reveal in detail the role of Western oil companies, that a British government inquiry collected damning evidence against British officials and oil-company executives. By that time, however, Zimbabwe was on the way to independence, and the issue was allowed to die.⁷¹

Wilson then moved to cut the supply of crude oil, pressuring the partly British-owned Beira-Umtali pipeline to close down. Under strong criticism at the January Commonwealth Prime Ministers' conference in Nigeria, Wilson predicted that the Rhodesian economy would be brought to a halt in "weeks, not months." In April, the Labour government, recently re-elected with a ninety-seven-vote margin, asked the UN Security Council for endorsement of the use of force to stop oil tankers from landing at Beira. This blocked the flow of crude oil through Beira, while the Royal Navy maintained a patrol over the next ten years at a cost estimated at some £100 million.

But these measures did nothing to halt the flow of refined-oil products through South Africa or Mozambique's other port of Lourenço Marques. The major oil companies were intimately involved at every stage. In 1966, for example, a government inquiry later estimated, as much as two-thirds of the oil sent through Lourenço Marques came from the South African subsidiaries of British-Dutch Shell and state-owned British Petroleum. Mobil, Caltex, and Total supplied smaller percentages.

Successive commentators have expressed surprise at Wilson's incredibly mistaken "weeks, not months" prediction. But the British leader's prediction must be seen as more than a mere mistake. It was only common sense to expect the sanctions violations through South Africa and Mozambique. Since the major oil companies controlled supply and distribution in those two countries as well as Rhodesia, to predict their involvement required no special expertise. After UDI, moreover, there was ample evidence that this was actually happening. No doubt insufficient without further investigation to prosecute a law suit, it was certainly enough to warrant asking questions and drawing preliminary conclusions. The British ignorance at the top, to the extent that it was genuine self-deception rather than conscious duplicity, can only be explained as the result of an insistent "need not to know" that screened out contradictory information.

"Right from the start," recalled the U.S. Ambassador to Zambia, "the American government was aware that oil would flow through South Africa and Mozambique."⁷² Yet the United States shared Britain's desire to "abate black African demands for more extreme action."⁷³

That desire implied denying persistent reports of the oil-sanctions failure. A story in the conservative *Sunday Telegraph* of February 19, 1967, revealed the construction of a depot in northern Transvaal for oil transshipment, with the collaboration of Shell, Mobil, and Caltex. A pamphlet by the Anti-Apartheid Movement published later that year criticized the government for not acting against British oil companies involved in supplies to Smith.

The British government knew of the flow of oil through Mozambique—

a Cabinet meeting in September 1966 decided against Wilson's suggestion to put more pressure on Portugal over the issue. The Portuguese repeatedly told British representatives that it was their own companies that were at fault. In May 1967, for example, Portuguese Foreign Minister Franco Nogueira supplied the British with statistics showing each company's involvement. The same month, President Kenneth Kaunda of Zambia charged Britain with ignoring the oil shipments through Lourenço Marques. Still, the British government accepted assurances from Shell/BP executives in London that they were not violating sanctions. And these executives in turn accepted similar assurances from their subordinates in southern Africa.

In August 1967 yet another exposé revealed Shell/BP arrangements for selling oil to "independent dealers" acting for Rhodesia. Concerned that more details would become public, oil-company executives met with Commonwealth Secretary Thomson in February 1968, admitting their previous involvement. Thomson, who had repeatedly assured African leaders that no British oil was reaching Rhodesia, was reportedly "discouraged." But his advice to the companies was simply to avoid direct British involvement by bypassing Shell Mozambique, the one company in the supply chain registered in London and thus clearly subject to legal penalties.

With Britain's vigilance so delimited, there was little chance that other countries would exert greater efforts at compliance. Portugal and South Africa openly opposed sanctions and regarded white Rhodesia as an ally. France was skeptical of sanctions as a matter of principle. And the United States, increasingly preoccupied with the war in Vietnam, held to the principle of following the British lead on Rhodesia.

THE TIE THAT BINDS

The economic channels for Rhodesia's oil stayed open, while the dense network of Western business connections in South Africa provided ample scope for evasive paperwork and legalistic coverups. More broadly, though Rhodesian subsidiaries of foreign companies came under government control, and trade was forced into sometimes roundabout routes, Rhodesia remained a part of the Western international economy. In spite of import-substituting manufacturing and restrictions on repatriation of profits, the structure of economic linkage to the West remained intact.

The contrast with the case of Cuba is revealing. In 1960 the Eisenhower administration banned virtually all U.S. exports to Cuba. In 1962 Kennedy followed up with a prohibition on the import of goods of Cuban origin from anywhere in the world. Unlike Rhodesian sanctions, the U.S. action

was unilateral. But the United States also imposed penalties on other countries that persisted in trade with Havana. From 1963, for example, ships that carried cargo to Cuba were put on a blacklist that barred them from carrying any U.S.-financed cargoes.⁷⁴ Cuba's trade, more than 65 percent with the United States prior to 1960, suffered a drastic reorientation; by 1961 some 80 percent of Cuban trade was with Soviet-bloc countries. Most Western countries did not strictly observe the U.S. embargo, but the isolation was sufficient to cause sharp reductions in supplies of key goods and spare parts. Cuba's export trade, concentrated in sugar, became dependent on Soviet purchases. The state took control of key sectors of the economy, including foreign-owned sugar and oil companies.

The Rhodesian pattern was quite different. Total Rhodesian exports expanded from \$238 million in 1966 to \$346 million in 1970; a UN Security Council study estimated that more than two-thirds of the annual total reached markets in twenty-three major market economies outside southern Africa, disguised as South African or Mozambican exports.⁷⁵ Imports, including oil, arms and ammunition, motor vehicles, and machinery, followed the same route in reverse, growing at an annual rate of more than 40 percent. The most substantial shift in the direction of trade was a sharp decline in commerce with Zambia. Japan, Western Europe, and the United States, as well as South Africa, picked up the slack.⁷⁶

As for investment, foreign capital provided some 37 percent of total investment over the first ten years of sanctions. This included reinvestment by companies already in Rhodesia, but also a full 12 percent from net inflow of new foreign capital.⁷⁷ Foreign investors, after ten years of sanctions, controlled as much as 55 percent of Rhodesia's productive assets. The foreign role in the profitable mining and manufacturing sectors was particularly conspicuous.

South Africa's already strong position in Rhodesia, through the many-tentacled Anglo American Corporation as well as other firms, was strengthened by its role as intermediary during these years. But British investors still maintained their edge in total foreign holdings. In 1965, British investors held as much as £200 million of assets in Rhodesia, as compared to £100 million held by South African investors; in 1974 Britain still accounted for some 50 percent of the total assets of approximately £600 million, with South African assets up to some £200 million.⁷⁸

Given the elaborate interlocking of British and South African capital, any such estimates inevitably have a large margin of error. But if one takes the combined British-South African stake, and throws in as well such major U.S. firms as Union Carbide and ITT, there can be no doubt that this investment remained a major structural feature of the Rhodesian economy.

And yet it was precisely this, and the other links mediated through

South Africa, that were excluded from consideration by the British enforcers of sanctions. The effect of sanctions was therefore destined to be marginal. Their substantive contribution to the downfall of the Smith regime came only later, as a supplement to the pervasive guerrilla warfare Zimbabwean nationalists were eventually able to mount.

Capital Partners

For white southern Africa in the early sixties, the advance of black-majority rule—Kenya, Congo, even Northern Rhodesia—was sufficient to cause alarm. Many whites felt betrayed as Western powers joined in the chorus of condemnation orchestrated by the “nonwhite” majority in the United Nations. But the white regimes did succeed in holding back African advance, and the sixties saw a new spurt of prosperity for white business, not least in South Africa, the heart of the regional subsystem. The “Great Boom,” as South African economist Hobart Houghton termed it,⁷⁹ was a joint achievement of state, domestic, and foreign capital. And it rested on new, even more effective means of subordinating the black labor force of the region.

The growth rate of South Africa’s gross domestic product, 4.1 percent a year in the 1955–1962 period, averaged 6.2 percent a year for 1963–1971. During the sixties South Africa’s economic growth ranked with Japan’s as the highest in the world.

Investment fueling the boom came from a variety of sectors, including the South African state. The state’s share of gross fixed investment rose from 35 percent in 1951–1955 to 44 percent by 1966–1970. Major parastatal projects by ESCOM (electricity), ISCOR (iron and steel), and SASOL (oil-from-coal) were augmented by Industrial Development Corporation (IDC) financing of mining and manufacturing ventures. From 1961 to 1970 the state sector not only accounted for 100 percent of investment in electricity and 88 percent in transport, but also provided 16 percent of investment in manufacturing, 15 percent in finance, and even 6 percent in mining.

The apartheid state played an even more crucial economic role through its influx control system, which, tightening its grip during the sixties, channeled “productive” Africans to the sectors of the economy most in need of them. During the decade there was a net migration of some 254,000 men and 95,000 women in the fifteen-to-twenty-nine age group into the metropolitan areas. Outside this age range, those areas lost some

300,000 women and 285,000 men. White-owned farmlands underwent a massive exodus of some 437,000 African women and 272,000 African men. The impoverished "homelands," in contrast, added 235,000 men and 668,000 women coming from white areas. Only among twenty-to-twenty-nine-year-old males did the homelands show a net out-migration—of some 183,000.

During the same period South Africa added a net 170,000 African males aged fifteen to twenty-nine from other African countries, and lost a net 242,000 women, children, and older men from these countries.⁸⁰

With a rigid clamp on opportunities for blacks, wage disparities between white and black increased significantly. African workers earned only 7 percent the average wage of whites in mining in 1960, declining to 5 percent in 1970. In manufacturing, Africans got 18 percent of the average white wage in 1960, down to 17 percent ten years later. Taking inflation into account, African real income per capita dropped as much as 2 percent per year over the twelve years from 1958 to 1970.⁸¹ In mining and in rural areas, average African real incomes were estimated at the end of the decade to be no higher than at the beginning of the century.

The pass laws, combined with government clearing and resettlement of "black spots" in white areas, not only helped keep African wages down in the urban areas. They also resulted in a relatively stable supply of labor to the white farm sector. An increasingly capital-intensive white agriculture expanded output steadily with few new workers, while the surplus African population was channeled into employment in the cities or dumped in the homelands.

Afrikaans-speaking whites still dominated on the farm, save in such areas as the sugar plantations of English-speaking Natal. But Afrikaners also shared in increasing numbers in ownership in manufacturing, the most dynamic sector of the economy. From 1960 to 1970 the value of output in manufacturing grew at an average annual rate of 18 percent, as compared with 6 percent for agriculture and 8 percent for mining.⁸² Afrikaner private capitalists included such figures as Anton Rupert, whose tobacco and liquor interests placed his Rembrandt Tobacco number four on the *Financial Mail* list of top industrial companies in 1968. South African Breweries, ranked number two, was headed by Afrikaner entrepreneur Frans Cronje. Sentrachem, backed by the IDC, incorporated both Afrikaner and English-speaking interests in a chemical giant (number ten on the list) that began to rival Anglo American's AE & CI, still number one. In mining, Harry Oppenheimer stretched out a hand to Afrikanerdom by engineering the takeover of General Mining by Federale Mynbou in 1963. By that year the Afrikaner share had risen to 10 percent of the mining

sector (from 1 percent in 1954), 10 percent of manufacturing (from 6 percent in 1954), and 21 percent of finance (from 10 percent in 1954).⁸³

The *Financial Mail* ranking of economic "giants" from all sectors demonstrated even more clearly the sharing of the economic heights. State-owned entities, headed by South African Railways & Harbours and ESCOM, ranked number one and number two, followed by Barclays and Standard Banks, both British-based. Oppenheimer's De Beers appeared as number six, and his Anglo American Corporation was number eleven. Afrikaner-owned banks Volkskas (number eight) and Sanlam (number thirteen) made the list, while the largest industrial concern listed was ISCOR (number ten), the state-owned iron-and-steel company. Private (British-South African) AE & CI (number twenty) was closely followed by state-owned SASOL (number twenty-one).

The precise role of foreign capital in the South African boom is hard to untangle—the strands include not only the easily identifiable direct investment of specific companies, but also portfolio investment on the Johannesburg Stock Exchange, loans, and the transfer of technology by license or the import of capital goods. One quantitative study suggests that foreign investment, principally through its impact on technological change, was responsible for roughly two-thirds of the increase in South Africa's GDP from 1957 to 1972.⁸⁴ But whatever the trust one puts in such a particular estimate, there can be no doubt that the foreign leg of the capital tripod remained essential.

At the end of 1960, foreign direct investments in South Africa stood at R1.9 billion; indirect investments totaled R1.2 billion. Over the following decade, the temporary small decline due to capital outflow in 1961 and 1962 was succeeded by a rapid increase. By the end of 1970, the total reached almost R6 billion.

In 1960 the total of foreign liabilities was comparable to 25 percent of the value of all South Africa's fixed-capital stock. By 1970 foreign liabilities compared to fixed-capital stock had declined to 19 percent, since domestic growth had outpaced even the rapid growth of foreign investment. The sum nevertheless remained an impressive one-fifth of the value of South Africa's capital assets. And if one considers only manufacturing, mining, and finance, the comparison is even more striking. South Africa's foreign liabilities were equivalent to 68 percent of capital stock in these three sectors in 1960, and still 52 percent in 1970.

Direct investment, an indicator of foreign willingness to maintain subsidiaries in South Africa and to reinvest their profits, maintained virtually uninterrupted growth. The only decline, of less than 1 percent, was in 1961. (More volatile indirect investment, including such components as

foreign holdings of stock, did not resume its growth until 1963.) By 1968, direct investment alone exceeded the total of foreign investment in 1960, a decisive vote of confidence in apartheid South Africa.

Among South Africa's foreign partners, Britain kept its leading position in investment over the decade, though its share declined. In 1961 British investment represented 59 percent of South Africa's foreign liabilities and more than 70 percent of direct investment there. By 1964 the British share had grown to 61 percent of the total, but declined to 67 percent of direct investment. In 1970 estimates indicated that British holdings accounted for over 55 percent of foreign assets in South Africa, still more than all other countries combined.⁸⁵

The second largest foreign investing country, the United States, had 12 percent of the total investment in 1961, only one-fifth of the British stake. Growing at a somewhat faster rate, U.S. investment in South Africa climbed to about 14 percent of the total in 1970. Western Europe's share jumped substantially, from some 15 percent in 1961 to 24 percent in 1970, with the major portions coming from France, Switzerland, and the German Federal Republic.

In trade, British predominance was less than in investment. In 1959 Britain supplied 31 percent of South Africa's imports and bought 30 percent of its exports; the United States was the second most important trading partner, with 17 percent of imports and 9 percent of exports. The Federal Republic of Germany provided 10 percent of imports and took 4 percent of exports. A decade later Britain was still number one (23 percent) and the United States number two (17 percent) among South Africa's suppliers, but Germany was close behind (14 percent), and Japan had moved up rapidly (9 percent). South Africa's exports went to Britain (33 percent), Japan (10 percent), the United States (7 percent), and Germany (7 percent).

As a group, the United States, Japan, and six European countries supplied some 80 percent of South Africa's imports over the decade and took almost the same percentage of exports.⁸⁶ Moreover, capital goods figured prominently in the import column, goods that were essential to industrial development. For South Africa, the old ties with Britain had declined moderately, but the importance of economic links with a small group of Western countries (including Japan) was undiminished.

Within specific industries and companies, one can find the same pattern of cooperation and interweaving of capital of diverse origins. One of the largest mining projects of the decade, for example, was at Phalaborwa in the northeastern Transvaal. Palabora Mining, a subsidiary of Britain's Rio Tinto Zinc and Newmont Mining of the United States (AMAX was involved as well, but gave up its share), invested more than R80 million in

opencast mining of copper and other ores. This venture was so profitable that by 1970 it was supplying some 42 percent of RTZ's worldwide profits on only 8 percent of invested capital. Also at Phalaborwa, the state-owned FOSKOR invested more than R30 million in expanding phosphate production.

In the chemical industry, the 1967 merger of six separate companies into Sentrachem brought together the state's IDC and Afrikaner-owned Federale Volksbelegging, with foreign capital from Britain's BP, from Shell, from Hoechst of Germany, and from four tire companies (United States and British). And though AE & CI may have feared the new competition, it too cooperated with the state in expansion plans. A new processing plant was built by AE & CI at Sasolburg, to make use of output from Sasol's coal-oil conversion.

The Anglo American group participated in virtually all sectors of the South African boom, maintaining its lead in mining and expanding its industrial interests almost five times in the 1960s. Its merchant bank, UAL, became the largest merchant bank in South Africa. Working through its London affiliate, Charter Consolidated, and its Bermuda subsidiary, MINORCO, Oppenheimer's financial empire expanded its holdings in Canada, the United States, Latin America, and around the world.

The automobile industry, with comparatively little South African capital, was led by the three U.S. giants—GM, Ford, and Chrysler—together accounting for over 25 percent of U.S. investment in South Africa.⁸⁷ Virtually all the other major European and Japanese auto companies were also represented. In 1968 the Standard Bank estimated a total of R150 million investment in the motor industry, of which two-thirds had been made in the sixties. This included such sums as R26 million by GM, R25 million by Chrysler, and R6 million by Volkswagen. Japanese companies, using various means to avoid strictly "direct" investment, drew heavily on local partners. Afrikaner entrepreneurs Thys Bekker and Werner Ackerman, for example, made millions on deals with Datsun-Nissan; Albert Wessels became one of Afrikanerdom's new millionaires as a Toyota distributor.

Another industry dominated by foreign capital was computers. IBM, which began marketing its large mainframe computers in South Africa in 1960, soon controlled roughly half the market. A subsidiary of Britain's ICL held another third, chalking up profits that virtually doubled every year from 1965 to 1970.⁸⁸ From considerably less than one hundred mainframe computers installed at the beginning of the decade, South Africa claimed some five hundred ten years later. The booming South African economy had easy access to one of the most crucial technologies of the future.

A similar pattern of cooperation with Western capital could be seen as

South Africa expanded its dominant economic role in other countries of the region. South Africa's pivotal role in Rhodesian-Western ties has already been noted. In Namibia, in spite of termination of the South African mandate, Britain's RTZ headed a consortium to develop the world's largest uranium mine at Rossing, in conjunction with Afrikaner-controlled General Mining, the Pretoria-owned IDC, and France's Minatome. In Mozambique the contract for the grandiose Cahora Bassa hydroelectric project—to supply power to South Africa's ESCOM—was awarded in 1969 to a consortium headed by Oppenheimer's Anglo American Corporation and including subcontractors from a number of Western countries.

If one takes a bird's-eye view of the regional ties of economic dependence over the decade, one can see the Congo and Angola retaining their orientation to Western Europe, with a significant step-up in U.S. links. Zambia, as a result of the Rhodesian conflict, turned to some extent away from the south. South of the Zambezi and the Kunene, however, South African economic dominance became even more overwhelming. And the confidence to undertake large new capital investments was shared by South Africans and foreign partners alike. The unrest and guerrilla warfare that threatened at the beginning of the decade was reduced to a manageable and distant phantom that little troubled the sleep of the men on the make in Johannesburg, Lourenço Marques, or Salisbury.

They could rest well, not only because the zones of war were in distant Congo or the northern zones of Angola and Mozambique. They also could see South Africa's military might burgeoning. The South African Police, a paramilitary as well as conventional police force, expanded between 1950 and 1960 by almost 50 percent to 28,000 men, and then by more than 80 percent to 51,000 in 1970. The official defense budget grew from R40 million in 1959–60 to more than triple that figure only three years later, doubling again to R272 million in 1969–70. The Defence Force's standing operational strength went from 11,500 in 1960 to 42,000 by 1967.⁸⁹ Despite the UN arms embargo, this force remained by far the best equipped south of the Sahara.

The air force's inventory, for example, included American Lockheed C-130 heavy transports, delivered just before the embargo. Manufacturers continued to supply spare parts for the C-130s, and for older C-47s sold to South Africa in the 1950s. Britain's Conservative government interpreted the embargo as excluding material relevant to "external defense" and contracted to supply Buccaneer bombers, which were delivered under the successor Labour government in 1965. Labour pledged a more consistent enforcement of the embargo, but still said it would honor previous contracts and supply spare parts. Only public protest and opposition in parliament prevented even this from eroding in 1967, when many in Wilson's

government favored filling a large new South African "shopping list" for weapons. France, for its part, had no hesitation in becoming the major supplier for heavy equipment, with large sales of Mirage jet fighters and Alouette and Puma helicopters. Italy's Impala jets, of which sixty-six were delivered in 1967-68, included British engines; nine Italian-made maritime transport planes (P-166), with American engines, were delivered in 1969.

At the same time, the South African government expanded munitions production inside the country, making full use of Western technology. AE & CI collaborated with the government in 1962 to set up three new armaments factories. A state-owned Armaments Development and Production Corporation (Armcor) was established, which contracted out manufacturing to subsidiaries or private companies. By 1969 most basic armaments, including rifles, grenades, mortars, and mines, were being produced locally. Even some larger items, such as Mirage and Impala jets and Panhard armored cars, were being manufactured in South Africa under French and Italian licenses.

Despite the arms embargo, none of the Western powers exerted itself to impede the growth of South African military might. Nor is such an objective to be found in the policy statements of the period. To the extent that there was military disengagement, the intent was, as in the case of Portugal, to make a symbolic gesture of disapproval, not to weaken seriously the military capacity of the incumbent regime or to strengthen the prospects of its opponents.

Judged by the expectations at the beginning of the decade, the most surprising development of the sixties in southern Africa was the stability of the white-minority regimes. Regrouping and expanding their military capability, Pretoria, Salisbury, and Lisbon also presided over economic growth that was shared by investors from the major Western powers. That Western presence, in turn, provided additional economic and military strength. The diplomatic challenge to white southern Africa was doomed to failure by Western determination to avoid substantive measures against the regimes in Lisbon or Pretoria, though Smith's Rhodesia did suffer somewhat more significant penalties for defying London.

No wonder that Henry Kissinger's National Security Council concluded in 1969 that "the whites are here to stay, and any constructive change can only come about through them." That judgement, however, was to prove just as faulty a prediction for the seventies as were the early sixties' expectations for an imminent end to colonial and white-minority rule.