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FIRST SPECIAL REPORT OF THE SPECIAL
COMMITTEE AGAINST APARTHEID

Implementation of United Nations resolutions on apartheid
by Governments and intergovernmental organizations

* This is a mimeographed version of a special report of the Special Committee against Apartheid, which will be issued in printed form in Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 22A.

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LETTER OF TRANSMITTAL

4 September 1980

Sir,

I have the honour, in accordance with the decision adopted by the Special Committee at its 459th meeting, held on 29 August 1980, to transmit herewith a report on implementation of United Nations resolutions on apartheid by Governments and the intergovernmental organizations concerned and to request that this report be issued as a document of the General Assembly and the Security Council. The report was prepared by the Sub-Committee on Implementation of the United Nations Resolutions and Collaboration with South Africa and approved by the Special Committee on 29 August 1980.

Accept, Sir, the assurances of my highest consideration.

(Signed) B. Akporode CLARK
Chairman of the
Special Committee against Apartheid

His Excellency Mr. Kurt Waldheim
Secretary-General of the United Nations
New York

I. INTRODUCTION

1. The question of racial discrimination in South Africa has been before the General Assembly since its first session in 1946. Scores of resolutions have been adopted by the Assembly, the Security Council, and other United Nations organs in opposition to what developed as the apartheid policies of the South African régime. For many years the United Nations appealed to the South African régime to abandon its repressive racial policies which increasingly violated the purposes and principles of the United Nations Charter. These appeals were ignored and, as the victims of apartheid reacted against the cruel policies which have been viciously implemented, the régime resorted to increasingly discriminatory and repressive measures.

2. Following the Sharpeville massacre of March 1960, the Security Council adopted resolution 134 (1960) of 1 April 1960 which called upon the Government of South Africa to initiate measures aimed at bringing about racial harmony based on equality, and to abandon its policies of apartheid and racial discrimination; and requested the Secretary-General to consult with the South African Government on making arrangements that would adequately help in upholding the purposes and principles of the Charter. The meeting between the Secretary-General and the Prime Minister of South Africa proved fruitless and the South African régime intensified its apartheid policies, declaring a state of emergency, banning the African National Congress and the Pan Africanist Congress and detaining thousands of opponents of apartheid.

3. Consequently, the United Nations organs were induced to go beyond making appeals to the South African régime. In 1961, the General Assembly adopted resolutions 1598 (XV) of 13 April 1961 and 1663 (XVI) of 28 November 1961 urging States to take such separate and collective action as was open to them in conformity with the United Nations Charter to bring about the abandonment of apartheid policies. Assembly resolution 1761 (XVII) of 6 November 1962 called for the first time for specific measures to be taken by States. The resolution requested Member States, separately or collectively, to terminate or refrain from establishing relations with South Africa in the realms of diplomatic relations, airline or shipping traffic, and trade, including all arms and ammunition. Subsequent Assembly resolutions reaffirmed the measures recommended in resolution 1761 (XVII) and called for further measures, especially the provision of political, humanitarian and other assistance to the victims of apartheid and the national liberation movement of South Africa; the promotion of maximum publicity for the evils of apartheid and international action to secure its elimination; and the promotion of further isolation of South Africa by such measures as boycott of cultural and sporting exchanges with South Africa, discouragement of immigration to South Africa, condemnation of the bantustan policy, and prohibition of economic, military and nuclear collaboration with South Africa.

4. In resolution 181 (1963) of 7 August 1963, the Security Council stated that the situation in South Africa was seriously disturbing international peace and security and called upon all States to cease forthwith the sale and shipment of arms, ammunitions of all types and military vehicles to South Africa. Security

Council resolution 282 (1970) of 23 July 1970 strengthened the arms embargo against South Africa. Following the brutal actions of the apartheid régime in Soweto and other townships in 1976, the death in detention of Steve Biko, and the extensive banning and imprisonment of opponents of apartheid in October 1977, the Security Council adopted a mandatory arms embargo against South Africa. In its resolution 418 (1977) of 4 November 1977, the Security Council called upon all States to cease the provision of all types of arms and related material to South Africa, including the sale or transfer of weapons and ammunition, military vehicles and equipment, paramilitary police equipment, and spare parts for the aforementioned. States were also called upon to cease the provision of all types of equipment and supplies, and to review all existing contractual arrangements with and licenses granted to South Africa relating to the manufacture and maintenance of arms, ammunition of all types and military equipment and vehicles. The resolution further called on States to refrain from any co-operation with South Africa in the manufacture and development of nuclear weapons.

5. In recent years, the General Assembly and other organs have become increasingly concerned with the implementation of the provisions of resolutions adopted on the question of the apartheid policies of the Government of South Africa. In 1976, the Assembly adopted a detailed Programme of Action against Apartheid (resolution 31/6 J, annex, of 9 November 1976) to be implemented by Governments, specialized agencies, intergovernmental and non-governmental organizations, as well as by the Special Committee and the Centre against Apartheid. An International Anti-Apartheid Year was declared from 21 March 1978 to 20 March 1979 and an International Mobilization against Apartheid was launched by the Special Committee on 21 March 1979.

6. While a large number of Member States have gone to great lengths to implement the many resolutions aimed at eliminating the apartheid system, other States have not complied with them. Some States have greatly increased their trade with and investment in South Africa since the adoption of resolutions calling for an end to these activities. A few have even continued to provide military and nuclear assistance to South Africa. Consequently, United Nations action against apartheid has remained far from effective.

7. This report evaluates the extent of implementation of United Nations resolutions on apartheid by Governments and intergovernmental agencies concerned in an effort to promote more effective measures for the international struggle against apartheid. 1/

1/ At the request of the Special Committee, the Secretary-General sent a communication to Member States on 26 April 1979 for information on the implementation of the relevant resolutions. For the replies received, see A/AC.115/L.513.

II. IMPLEMENTATION OF UNITED NATIONS RESOLUTIONS
ON APARTHEID BY GOVERNMENTS

A. Political, diplomatic, consular and other official
relations with South Africa

8. In its resolution 1761 (XVII), the General Assembly requested Member States to break off or refrain from establishing diplomatic relations with South Africa. In subsequent resolutions, the Assembly also called for a cessation of political, consular and other official relations.

9. Several States, including India, the Union of Soviet Socialist Republics and Egypt had broken relations with South Africa prior to the adoption of resolution 1761 (XVII). The majority of States, in response to the General Assembly's recommendations, terminated or refrained from establishing relations with the apartheid régime. Upon gaining independence, African States, with the exception of Malawi, refused to establish diplomatic relations with South Africa and closed the South African consulates in their territories.

10. Following the adoption of the resolution, Bolivia, Chile, Costa Rica, Czechoslovakia and Yugoslavia announced the closure of their consular offices in South Africa. The former three States have since re-established consular and diplomatic relations with the apartheid régime. Other States, pursuant to a change of government, have terminated diplomatic and other relations with South Africa which had existed under previous régimes. Most recently, El Salvador, Grenada, Iran and Nicaragua have ended diplomatic relations with South Africa. Some States which have refrained from exchanging diplomatic missions with South Africa have maintained consular and trade relations. Japan is probably the most significant State which continues this type of representation in South Africa while refraining from diplomatic relations.

11. Despite the growing diplomatic isolation of South Africa, several States have continued and actually increased official relations with South Africa. Table 1 lists those States which have diplomatic and other representation in South Africa and which host South African representatives in their countries. Six States (Argentina, France, Paraguay, Portugal, United Kingdom of Great Britain and Northern Ireland, and United States of America) maintain military, naval, or air attachés in their diplomatic missions, while many more host South African defense attachés in their countries. This type of contact with the racist régime is particularly reprehensible in view of the universally acknowledged threat which South Africa's military power poses to other Member States and to world peace.

Table 1: Diplomatic and other relations of South Africa with States Members of the United Nations

Official Missions in South Africa

South African Missions in country

Country	Diplomatic Missions	Consular Missions*	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Emigration offices or officers	Diplomatic Missions	Consular Missions	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Immigration offices or officers
Argentina	x	x	x	x			x	x	x	x	x	
Australia**	x	x		x			x			x	x	
Austria	x	x					x	x	x	x	x	x
Belgium	x	x					x	x	x g/	x	x	x
Bolivia	x	x					x		x	x	x	
Brazil	x	x		x			x	x		x		
Canada	x	x		x			x	x		x	x	
Chile		x					x b/	x	x	x b/	x	
Colombia		x										
Costa Rica	x	x					x	x		x c/		
Denmark		x		x				x				

Table 1 (continued)

Country	Official Missions in South Africa						South African Missions in country					
	Diplomatic Missions	Consular Missions*	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Emigration offices or officers	Diplomatic Missions	Consular Missions	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Immigration offices or officers
Dominican Republic		x						x				
Finland	x	x					x	x				
France	x	x	x	x	x		x	x	x	x	x	x
Germany, Federal Republic of	x	x		x	x		x	x	x	x		
Greece	x	x					x	x	x		x	
Guatemala		x						x				
Iceland		x						x				

Table 1 (continued)

Country	Official Missions in South Africa						South African Missions in country					
	Diplomatic Missions	Consular Missions*	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Emigration offices or officers	Diplomatic Missions	Consular Missions	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Immigration offices or officers
Ireland		x							x			
Israel	x	x		x			x	x			x	
Italy	x	x		x			x	x	x		x	
Japan		x						x				
Liechtenstein e/												
Luxembourg f/		x					x	x			x	x
Malawi	x						x		x		x	
Mauritius											x	
Monaco		x						x				
Netherlands***	x	x			x	x	x				x	x

Table 1 (continued)

Official Missions in South Africa

South African Missions in country

Country	Diplomatic Missions	Consular Missions*	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Emigration offices or officers	Diplomatic Missions	Consular Missions	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Immigration offices or officers
New Zealand								x			x	
Norway		x						x				
Panama		x						x				
Paraguay	x	x	x				x	x	x	x	x	
Peru		x						x		x		
Portugal	x	x	x				x	x	x	x	x	x
Spain	x	x		x			x	x	x	x	x	
Sweden	x	x					x	x		x		
Switzerland	x	x					x	x	x <u>EU</u>	x	x	x
Thailand		x										

Table 1 (continued)

Official Missions in South Africa

South African Missions in country

Country	Diplomatic Missions	Consular Missions*	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Migration offices or officers	Diplomatic Missions	Consular Missions	Military, naval and air attachés	Commercial and technical offices or officers	Information and cultural offices or officers	Migration offices or officers
United Kingdom	x	x	x	x	x		x	x	x	x	x	x
United States	x	x	x	x	x		x	x	x	x	x	
Uruguay	x	x					x	x	x	x	x	

Sources: Who's Who of Southern Africa, 1979; Republic of South Africa, Pretoria, Government Gazette.

* Includes honorary consular missions.

** Australian representative in charge of interests of Papua New Guinea.

*** Netherlands in charge of interests of Suriname in South Africa.

a/ Stationed in Federal Republic of Germany.

b/ Representation through South African Embassy in Argentina.

c/ Stationed in New Orleans.

d/ Stationed in Sweden.

e/ Swiss representatives take care of its interests in South Africa.

f/ Netherlands diplomatic mission in South Africa takes care of diplomatic interests of Luxembourg, and Belgian diplomatic and consular representatives in charge of consular, economic and trade interests of Luxembourg. South Africa is represented in Luxembourg through its embassy in Belgium.

g/ Stationed in Austria.

B. Implementation of the mandatory arms embargo

12. Recognizing that South Africa's military needs arose principally from the internal situation brought about by the repressive policies of apartheid, the Security Council, in resolution 181 (1963), called upon all States to cease the sale and shipment of arms, ammunition of all types, and military vehicles to South Africa. Later that year, the Security Council broadened its embargo to encompass the sale and shipment of equipment and materials for the manufacture and maintenance of arms and munitions in South Africa. Since that time, the General Assembly and Security Council have repeatedly expressed their concern over South Africa's growing military build-up and in November 1977 the Council adopted resolution 418 (1977) establishing a mandatory embargo on arms to South Africa. The resolution called on all States to further prohibit contractual and licensing agreements relating to the production, sale and maintenance of arms, ammunition, military equipment and vehicles. States were called upon to refrain from any co-operation with South Africa in the manufacture and development of nuclear weapons.

13. The defence spending of the South African régime has increased drastically in recent years. A 1973 Defence White Paper calling for the mustering of all available resources for defense was followed in 1974 by a five-year defence expansion programme. Emphasis was placed on the full development of conventional military capacity as well as special counter-insurgency forces designed for combating the liberation movements. ^{2/} The defence budget more than trebled from 1973 to 1978 and currently accounts for 18 per cent of total budget expenditure.

Table 2

Military expenditure of South Africa, 1973-1978

<u>Year</u>	<u>Constant prices at 1973 price and 1973 exchange rate</u> (US million)
1973	633
1974	848
1975	1,042
1976	1,368
1977	1,717 (2,140)*
1978	1,888

Source: Stockholm International Peace Research Institute (SIPRI). World Armaments and Disarmament, SIPRI Yearbook 1979, Taylor and Francis Ltd., 1979.

* Figure at current prices and exchange rate.

^{2/} See "The Activities of Transnational Corporations in the Industrial, Mining and Military Sectors of Southern Africa," (United Nations publication, Sales No. E.80.II.A.3).

14. The budget of the South African Defence Department for the fiscal year 1980 was estimated at R 2,074 million with an authorization to run up expenditure totalling another R 272 million if necessary. The estimates of the budget for 1980 - excluding the authorized additions - represented an increase of 17 per cent above the budget of the fiscal year 1979. 3/

15. In the past, South Africa's military sector has relied heavily on foreign sources for military goods and technology. However, a central feature of South Africa's strategic investment policy is self-sufficiency in the production of weapons systems. The State has assumed greater control over weapons development through the nine-member Armaments Board and its production unit, the Armaments Development and Production Corporation (ARMSCOR). Private contracts account for over 80 per cent of the funds allocated for armaments acquisition in South Africa and ARMSCOR develops and manufactures those products ordered by the Armaments Board which, for economic or strategic reasons, cannot be entrusted to the private sector. 4/

16. In the wake of the international scandal involving the illicit use of secret South African Ministry of Information funds, it was revealed that ARMSCOR ran a far larger secret fund which included money for bribes and commissions. The ARMSCOR fund was administered by the Defence Minister, Mr. P. W. Botha, who has since become Prime Minister of South Africa. 5/ ARMSCOR is in the process of raising R 90 million in three loans of R 30 million each, two of which were floated in 1979. 6/

17. It is virtually impossible to obtain precise information about South Africa's defence programme. Investigation into the extent of foreign participation in the military sector is rendered even more difficult by the recent passage of legislation which restricts the release of information by South African-based foreign subsidiaries. De facto jurisdiction over the operations of these companies rests with the South African Government and some of these companies continue to produce equipment which has military application under contract to the Government. Recent South African legislative measures compel foreign subsidiaries to produce armaments and related material in the event of crisis.

18. South Africa has traditionally depended on foreign sources for military hardware and technology, with estimates on defence imports ranging as high as two thirds of the total defence budget. 7/ Calculations based on figures released by the South African Department of Customs and Excise and the South African Reserve Bank place 1978 defence imports at approximately \$345 million, a remarkable sum in light of an international embargo on the sale of arms and

3/ Rand Daily Mail (Johannesburg), 27 March 1980.

4/ South African Bureau of National and International Communication, South Africa 1978: Official Yearbook of the Republic of South Africa, Pretoria, 1978.

5/ Sampson, Anthony, "The Long Reach of the Arms Men", The Observer (London), 4 February 1979.

6/ Rand Daily Mail (Johannesburg), 27 July 1979.

7/ Hoagland, Jim, "U.S. Firms Imprint on South Africa Deep", Washington Post, 16 January 1977, as quoted in "U.S. Corporate Interests in Africa", Committee on Foreign Relations, U.S. Senate, January 1978.

related matériel to the racist régime. 8/ Although much of the foreign military technology has been internalized by local industry, sources claim that "Pretoria is still strikingly dependent on foreign suppliers for key components and for essential design technologies". 9/ The involvement of foreign corporations in military production ranges from the above-mentioned local production by subsidiary companies to foreign contracting of equipment for export to South Africa, the granting of manufacturing licences to South African entities, and the sale of equipment which falls into the "grey area", i.e. dual purpose items which are approved for export as civilian products, but which can easily be converted for military usage. The information in the following section relating to contracts and licences which have since expired is relevant in so far as it illustrates the degree to which foreign sources have contributed to South Africa's current military capability.

19. It should also be noted that, although discussion in this section is confined to armaments and related matériel, a successful military programme is dependent upon the ready availability of, inter alia, steel, oil, chemicals and financing. Foreign investments in these crucial sectors are examined in other parts of this report but the military nature of these investments should not be overlooked. As the full extent of foreign participation in the development of South Africa's current military status is too great to be documented within this report, the following examples serve only to illustrate the nature of foreign assistance received by the South African military complex.

20. The history of foreign assistance in the militarization of South Africa dates back to the establishment of the South African Air Force (SAAF) in 1921, when the Government of the United Kingdom donated 100 World War I aircraft and related maintenance equipment. South Africa's Atlas Aircraft Corporation went into operation in 1964 with technical assistance from France, and in 1969 was taken over by the South African Government. 10/ By the late 1960s, the South African aircraft industry shifted from an import basis to one of licensed domestic production with components imported for local assemblage.

21. The United States has been a major exporter of aircraft to South Africa since the imposition of the 1963 "voluntary" arms embargo. Sales of alleged civilian aircraft include 16 Lockheed L-100 transport planes; 7 Swearingen Merlin IV medium transports, and at least 22 Cessna Model-185 Skywagons. The former two models were used for South African military operations in Angola, and the latter has been praised for its valuable counter-insurgency function. 11/ Spare parts for the L-100s continue to be exported by the United States (S/AC.20/15).

22. A significant amount of United States designed aircraft is not sold directly to South Africa but is channelled through third party licensed corporations. Ten Lockheed AL-60s, a model produced in Italy by Aermacchi and classified as a civilian plane in that country, were exported to South Africa in 1967 and a supply

8/ Africa Research Bulletin, as quoted in Southern Africa (New York), March 1979; Rand Daily Mail (Johannesburg), 18 December 1978.

9/ African Confidential (London), 20 October 1978.

10/ See foot-note 2.

11/ Africa Confidential (London), 20 October 1978; Southern Africa, (New York), November 1978.

of spare parts was authorized in 1971 (S/AC.20/16). It is not clear as to whether or not the export of that aircraft to South Africa is now prohibited. The C-4M Kudu, a derivative of the AL-60, has been produced in South Africa since 1975 by Atlas Aircraft. 12/

23. Aermacchi also exported 40 AM.3C monoplanes to South Africa in 1970 and 1971. Although the Italian Government claimed that the licence for production of that plane had not been ceded to South Africa, other sources state that the AM.3C Bosbok is produced under Italian licence by Atlas in South Africa and went into full production in 1975 at the rate of 40 planes per year. 13/

24. Aermacchi had also contracted with Atlas Aircraft for the production of the Aermacchi MB 326 (Impala I) aircraft. Licences for the export of related components were terminated in 1972, although the actual production of four airframes of the MB 326 model by Aermacchi was conducted at a later date (S/AC.20/16). Atlas had developed its own version of the MB 326 (Impala II), 90 of which have already been produced within South Africa. Although the Italian Government claims that the Impala II is derived only partially from the Italian prototype, the South African Government stated that it was an exact model of the original Italian aircraft (S/AC.20/SR.25). Piaggio ceded the licence to Atlas Aircraft in 1964 for the manufacture of the British Rolls Royce "Viper" engines which power both Impalas I and II. The engines are now being produced wholly within South Africa (see S/AC.20/16).

25. Twenty-one Piaggio P-166 transport planes were sold to South Africa between 1967 and 1971. This plane, like the AL-60 and the AM-3C, is not classified as a military or combat aircraft in Italy (S/AC.20/16). The United States designed engines, which power aircraft such as the P-166 and C4M aircraft, are similarly sold as civilian exports (S/AC.20/15). In the absence of a precise definition of "armaments and related materials", as well as an effective means by which to monitor compliance with a mandatory international arms embargo on South Africa, shipments of military armaments and supplies to the apartheid régime continue to take place.

26. Another instance of the transfer of United States aircraft designs to South Africa was the sale in 1973 of 56 Lockheed F-104G Starfighters from the German Luftwaffe to the South African Air Force. They had been produced under licence in the Federal Republic of Germany by the West German consortium of Messerschmidt, Heinkel-Dornier, and FockeWulf and their sale violated policy stated publicly by both the United States and Federal Republic of Germany regarding the arms embargo. 14/

27. Additional sales to South Africa of "civilian aircraft" include the 1974 or 1975 South African purchase of 25 Agusta Bell 205A (Huey) helicopters. 15/ Eleven of the 205A helicopters, the civilian version of the UH-1 helicopters which were used for transport in Viet Nam, recently surfaced in Zimbabwe. The United States Department of State announced that the helicopters were originally sold to the Israeli Air Force and later resold, with United States permission, "to an American

12/ Stockholm International Peace Research Institute, Yearbook on World Armaments and Disarmament (SIPRI Yearbook 1979), Taylor and Francis, Ltd., 1979.

13/ Ibid. see also S/AC.20/16.

14/ Der Spiegel, Hamburg, (Federal Republic of Germany), 11 and 18 December 1978; Africa Confidential, op. cit.

15/ Klare, Michael, "South Africa's U.S. Weapons Connections", The Nation, 28 July-4 August 1979.

company with operations in Singapore". 16/ However, the machines were sent to Zimbabwe through South Africa. 17/ Israel is also reported to have provided night visibility gear for a South African helicopter squadron (A/AC.115/L.488 18/).

28. The French company, Marcel Dassault/Breguet Aviation, contracted with ARMSCOR for the delivery of 16 Mirage F-1 fighters prior to the 1975 licensed production of an additional 32 Mirage fighters by the Atlas factory. All components of the domestically produced fighters, with the exception of the engines, were manufactured in South Africa. 19/

29. The South African Army has acquired United States-designed M-10 self-propelled 155 mm. howitzers and \$27 million worth of M-113 armoured personnel carriers produced in Italy by OTO-Melara, under licence from FMC Corp., the United States producer. 20/

30. An affiliate of the state-owned Israeli Aircraft Industries, Ramta, licensed the production of six Reshef patrol boats for South Africa. The boats employ EL/M-220 search radar, also produced by the Israeli Aircraft Industries, for the detection of both surface and aircraft targets, and are equipped with Gabriel surface-to-air missiles. Three of the boats were constructed in Haifa and delivered in 1978; three more were produced in Durban under licence. They have the capacity to carry a helicopter. 21/

31. Additional Israeli co-operation with South African defence was in the modernization of 150 South African Centurion tanks. France was similarly involved in the development of vehicular capability with the production of Panhard armoured cars. Although former production was heavily dependent on foreign imports, the new Panhard AML 245 Eland has been entirely locally produced. 19/ A West German company in the Thyssen group was reportedly building tanks for the South African army, and Daimler Benz (Federal Republic of Germany) had also sent UNIMOG military vehicles to the army. 22/

32. West German and French corporations have supported the development of South Africa's missile capacity. West German corporations which have assisted in the development and production of indigenous South Africa missiles include Bölkow AG, BMW South Africa (Pty) Ltd., Diesel Electric Holding (Pty) Ltd. (a subsidiary of Robert Bosch GMBH), Liebherr-Africa (Pty) Ltd., and Siemens Ltd. French firms, including Engins Matra and Thomson-CSF, designed and produced the Cactus ground-to-air missiles. The missiles are fitted to C-130 Hercules and Transall C-160 transport planes which have been delivered to South Africa. About 85 per cent of the project was financed by the South African Government. 19/

16/ New York Times, 6 January 1979.

17/ Rand Daily Mail (Johannesburg), 8 January 1979.

18/ This document of the Special Committee against Apartheid is entitled "Review of Recent Developments in South Africa's Military Build-Up and Collaboration in the Military and Nuclear Fields".

19/ See foot-note 2.

20/ Klare, The Nation, op. cit.; Africa Confidential, op. cit.

21/ Official Records of the General Assembly, Thirty-third Session, Supplement No. 22 A (A/33/22/Add.1 and 2), document A/33/22/Add.2.

22/ "Black South Africa Explodes", Counter Information Services, (London), 1977.

33. The process of assimilating foreign technology into domestic production has been particularly successful in the realm of small weapons. South Africa claims virtual autonomy in the production of arms based on adapted foreign design. The Israeli Uzi submachine gun was licensed to a Belgian firm which then sublicensed it for production within South Africa. Although both licenses have either been withdrawn or expired, South Africa continues to produce the weapon. 19/ The R-1 rifle, which is the basis of the South African army, is a replica of the FM 7.62 rifle produced by Fabrique Nationale Herstal in Belgium. Manufacturing continues in this case also. 19/

34. Continued reports of illegal arms shipments to South Africa, however, refute South African claims to independence in weapons production. In 1976, two United States companies - the Colt Firearms division of Colt Industries and the Winchester Arms division of the Olin Corporation - were charged with having shipped rifles, shot guns and ammunition to South Africa via "paper" companies in the Canary Islands, Austria, Greece, the Federal Republic of Germany and Mozambique. Olin-Winchester pleaded no contest to charges of smuggling 3,200 firearms and 20 million rounds of ammunition to South Africa between 1971 and 1975. In their defence in both cases, the arms companies rationalized their actions on the basis of United States Department of State laxity and apparent lack of concern for effectively enforcing United States compliance with the arms embargo on South Africa. 23/

35. Another disclosure of violations in arms shipments to the apartheid régime surfaced in 1978. Space Research Corporation (SRC), a United States defence contractor which straddles the United States/Canadian border, shipped at least 55,000 155 mm. shells to South Africa in four major shipments in 1977 and 1978. The various shipments passed through Canada, the United States, Antigua, Spain and Majorca. One of the ships carrying the shells was the West German-registered Tugelaland which is owned by the South African Marine Corporation; other vessels include two United States Navy vessels as well as Dutch and Danish chartered ships. The United States Department of Defense allegedly approved the sale of the shells for Israel and Space Research Corporation (SRC) subsequently diverted the shipment to South Africa. Recent reports indicate that SRC provided ARMSCOR with the specifications for the development of the 155 mm. artillery system and at least 12 SRC employees supervised the testing of the extended range, full bore artillery in South Africa in 1977. The 155 mm. shells can readily be equipped with nuclear warheads. 24/

36. First Pennsylvania Bank of Philadelphia, the oldest bank in the United States, allegedly provided the financing to SRC for the sale of the howitzer shells and related technology to South Africa. A \$3.7 million letter of credit, equalling the price that SRC paid for the shell forgings, was granted to an SRC "paper" subsidiary by Société Générale de Banque (Belgium) and guaranteed by both the Canadian Imperial Bank of Commerce and the First Pennsylvania Bank. Most recently it was revealed that South Africa owns 20 per cent of SRC, the result of a meeting held in London in 1977. J. S. Coetzee, chief manager of commercial sales for

23/ Klare, The Nation, op. cit.

24/ Klare, The Nation, op. cit., Abley, Mark, "Adventures in the Arms Trade: A Canadian Saga", Canadian Forum, April 1979; Hemingway, Sam and Malone, William Scott, Burlington Free Press, 7 December 1978, 13 July 1979, 12 September 1979, 28 October 1979, 4 November 1979 and 14 March 1980.

ARMSCOR, represented South African interests at the meeting and provided the \$10 million investment. In the past, SRC has been a major contractor with the United States Defense Department and, while the company was under investigation by a United States Federal Grand Jury and the Royal Canadian Mounted Police (RCMP), it was involved in contracts with the Governments of Canada and Thailand. 25/

37. Following a 16 month investigation by the Federal Grand Jury, SRC (now known as Sabre Industries) and its two principal officers pleaded guilty in March 1980 to one count of illegally exporting the arms to South Africa. The plea agreement excludes the defendants from any future indictment, although the case is still under investigation. 26/ No investigation was held into the alleged involvement of the United States Government through Congress, the Departments of State, Defense, Commerce and Treasury, or the Central Intelligence Agency. 27/

38. The RCMP inquiry, which was completed in April 1979, recommended that the Canadian Ministry of Justice press charges against SRC. A preliminary inquiry by that Ministry was held in camera. 28/ It was reported that the investigation was completed and SRC pleaded guilty on all charges and was fined.

39. South Africa now claims to produce an indigenously developed 155 mm. artillery piece whose specifications and capabilities closely resemble those of the SRC system. 29/ Most recently, South Africa revealed a 127 mm. rocket system which has been approved for export. 30/ Other recent additions to South Africa's military arsenal include a new infantry rifle, a copy of the Israeli Galil assault rifle, and a guided missile patrol boat with several new missile systems. 31/ South Africa is not only importing and assimilating foreign military technology to meet its growing domestic military needs but has become the world's eleventh largest exporter of weapons. 32/

40. These and other revelations raise grave questions as to the willingness and/or ability of several Member States to enforce the United Nations mandatory arms embargo. In addition to the obvious and gross illegality of the above-mentioned arms shipments, transfer of military equipment continues under the guise of "civilian" or "gray area" exports. One example of this type of violation was the approval by the United States Department of State in December 1977 (less than six weeks after the imposition of the embargo) of the sale of six Cessna reconnaissance planes to South African "non-military" personnel and the subsequent authorization for sale of another 70 to 80 light aircraft. The purported "civilian"

25/ Hemingway and Malone, Burlington Free Press, op. cit.

26/ Ibid.

27/ Ibid.; and Statement by Mr. Sam Hemingway and Mr. William Scott Malone before the Special Committee against Apartheid, 17 February 1980.

28/ See "Space Research Corporation", Centre International de Solidarité Ouvrière, (Montreal) March 1980; and A/AC.115/L.524.

29/ Sunday Times (Johannesburg), 29 April 1979.

30/ Rand Daily Mail (Johannesburg), 2 May 1980.

31/ Washington Star (Washington), 2 May 1980.

32/ SIPRI Yearbook, op. cit.

function of the planes is nullified under the South African Defense Act which stipulates that any private assets can be seized by the State in the event of an emergency. 33/

41. Similarly, in June 1977, a firm based in the Federal Republic of Germany delivered powerful marine engines to South Africa for coastal patrol vessels. Because the engines were not of a specifically military nature, they did not require an export permit. 34/

42. Another type of de facto foreign military investment is that of the Imperial Chemical Industries - South Africa (ICI), a subsidiary of British Imperial Chemical Industries, which owns 40 per cent of the African Explosives and Chemicals Industries Ltd. (AECI). African Explosives operates the two largest commercial explosives factories in the world and runs two munitions factories in the Transvaal for the Government, and built a third one for the régime in 1971 in the Cape. In 1976, ICI provided AECI with R 40 million for investment in capital projects. Teargas manufactured by AECI was employed in the 1976 Soweto uprisings and the company also produces nerve gas and chemicals usable as defoliants. 35/ AECI recently concluded a contract with Union Carbide (United States) on the use of new low density polyethylene technology. 36/

43. A 1979 report to the Security Council on the South African invasion of the Namibian refugee camp at Kassinga in 1978 documents the use of South African paralyzing gas in the raid (S/13473). Loans for AECI have involved banks from the United Kingdom, Canada, Federal Republic of Germany, and the United States. 37/

44. It is crucial, in this context, to take note of the strategic role played by the computers and electronics industry in maintaining the repressive policies of apartheid and developing South Africa's sophisticated defence and weapons sector. The computer and electronics industry is the fastest growing sector of the South African economy, expanding an estimated 20 to 40 per cent each year and accounting for more than \$2 billion in annual sales and services. The industry's equipment is used, inter alia, in the development and manufacture of weaponry, in communications, surveillance, intelligence, navigation, control systems, and even as weapons themselves. More so than in any other sector, foreign firms dominate South Africa's computers and electronics industry, being responsible for the vast majority of the imports, sales, installation, and maintenance of high technology equipment. 38/

33/ Southern Africa (New York), November 1978.

34/ Rand Daily Mail (Johannesburg), 15 December 1977.

35/ "Black South Africa Explodes", op. cit.

36/ Sunday Times, Business Times (Johannesburg), 23 September 1979.

37/ Corporate Data Exchange, "Bank Loans to South Africa, 1972-1978", United Nations Centre against Apartheid, 5/79, May 1979.

38/ Unless otherwise noted, all information in the following section derives from: Liff, David M., The Computer and Electronics Industry in South Africa, (Investor Responsibility Research Center), Washington, D.C., March 1979.

45. The South African Government and parastatals provide the largest market for computers in the country and foreign companies have supplied computers, inter alia, to the South African Defense Force, the Atomic Energy Board, the Uranium Enrichment Corporation, ARMSCOR, and the Council for Scientific and Industrial Research, as well as Iron and Steel Corporation (ISCOR), Electricity Supply Commission (ESCOM), South African Railways, and South African Oil, Coal and Gas Corporation Ltd. (SASOL). The seven foreign corporations which essentially control South Africa's computer industry are International Business Machines (IBM), Burroughs Corporation, National Cash Register (NCR), Sperry Rand Corporation, Control Data Corporation, (all of the United States), International Computers Ltd. (United Kingdom) and Siemens (Federal Republic of Germany). Although Honeywell (United States) withdrew its computer sales operations from South Africa in 1975, it was recently awarded a \$13.8 million contract for the supply of process-control equipment to SASOL. South Africa's oil from coal project.

46. The effectiveness of United States Government restrictions in 1976 and 1978 on the sale of computers and computer technology to the South African military and police is severely limited by several factors. Foreign companies have no control over the "computer time-sharing" procedure practised between government agencies, so that military entities have ready access to computers obtained by "non-military" agencies. The South African Business Protection Act of 1978 and the National Supplies Procurement Act of 1970 preclude any external regulation or enforcement of the end-use of products, including computers, in South Africa. Furthermore, United States companies can easily circumvent United States legislation by selling goods to South Africa through their overseas subsidiaries. Another means of bypassing restrictive legislation is illustrated by the supply in 1978 of computer subsystems of the Control Data Corporation (United States) to International Computers Ltd. (ICL) of the United Kingdom for use in two ICL 2960 computers for sale to the South African police. 39/ Although ICL, which has invested R 250 million in South Africa, has emphasized its intention to stay in South Africa, 40/ it faces protests from trade unionists and ICL employees strongly opposed to the supply of computers for the maintenance of apartheid. Two ICL systems were also supplied to the Atlas Aircraft Corporation in July 1977. The British Government, which owns a 24.4 per cent stake in ICL, has not taken an official stand on the issue.

47. South Africa is equally dependent on outside sources to satisfy its electronic needs; an estimated 80 per cent of the country's R 1 billion electronics market consists of imports. 41/ Specialized electronic equipment used by the military includes missile and ballistic guidance systems, radar equipment, specialized communications systems, aircraft instrumentation and electronic sensors for border control. The main suppliers of electronic equipment and components to the South African military are Fuchs Electronics, a subsidiary of Barlow Rand, and Racal Electronics. Racal Electronics of the United Kingdom sold its South African subsidiary in June 1978 to Grinaker Holdings of South Africa. Other leaders in the electronics field are General Electric, Plessey, and Marconi Electronics of the United Kingdom; Siemens and AEG-Telefunken of the Federal Republic of Germany; Compagnie générale d'électricité and Thompson-CSE of France; Philips of

39/ Klare, The Nation, op. cit.; Southern Africa, July/August, op. cit.

40/ Star (Johannesburg), 23 December 1978.

41/ See S/AC.20/SR.17.

the Netherlands; Tadiran of Israel; and Sony of Japan. The type of equipment varies widely and is not limited to use within South Africa. For example, Patriotic Front freedom fighters captured military equipment in Zimbabwe which included four types of military radio equipment manufactured by the Philips group (S/AC.20/SR.17). Marconi Electronics built a 'tropospheric scatter' system for a computer controlled military communications for use by the South African Defence Department in Namibia. 42/

48. Most recently, it was discovered that Plessey (United Kingdom) is supplying radar equipment to the South African Defence Force (SADF) for use in a combined civil and military air control system. Members of the SADF were being trained in Great Britain on Digital Equipment Corporation (United States) PDP 11/34 computer systems which are incorporated into the surveillance system. The system will probably be installed at Project Nassau in the Transvaal, one of South Africa's key defence facilities, and would extend South Africa's air surveillance capabilities far beyond the country's borders. 43/

C. Implementation of United Nations resolutions regarding nuclear relations with South Africa

49. The question of South Africa's development of nuclear capability was brought to world attention in August 1977 when Soviet satellites detected South African preparations for a nuclear test in the Kalahari Desert. Although the South African régime insisted that it was only interested in peaceful applications of nuclear technology, it was generally agreed that the detected structures could only be preparation for the testing of existing or imminent South African nuclear explosives. Continuing satellite surveillance showed that the Kalahari Desert site had not been dismantled.

50. Security Council resolution 418 (1977), establishing a mandatory embargo on arms to South Africa, took into account the régime's nuclear threat to world peace when it decided, in paragraph 4, "that all States shall refrain from any co-operation with South Africa in the manufacture and development of nuclear weapons".

51. Subsequent resolutions adopted by the General Assembly, including 32/105 F of 14 December 1977, 33/183 G of 24 January 1979 and 34/93 E of 12 December 1979, further called on all States to cease forthwith all collaboration with South Africa in the nuclear field, including putting an end to all transfers of nuclear equipment, fissionable material, technology and personnel. This prohibition was to apply equally to companies, institutions, agencies, and individuals within the States' jurisdiction.

52. The issue of South Africa's nuclear capability continued to be one of grave concern to the international community. The reports of a United Nations Seminar on Nuclear Collaboration with South Africa, held in London on

42/ "Black South Africa Explodes", op. cit.

43/ Anti-Apartheid News (London), September 1979; and The Guardian (London), 1 August 1979.

24 and 25 February 1979, 44/ and the International Seminar on the Role of Transnational Corporations in South Africa (A/34/655, annex), also held in London from 2 to 4 November 1979, stressed the need for co-ordinated international action to end all nuclear collaboration with South Africa.

53. The detection by a United States satellite in September 1979 of what appeared to be a low-yield nuclear explosion in the vicinity of South Africa is the most recent and alarming evidence which has emerged about South Africa's development of nuclear weapons capability. Existing evidence strongly suggests that South Africa has been able to develop successfully a nuclear explosive.

54. The implications of this achievement on the part of the racist régime are considerable for the United Nations, several of whose Member States are largely responsible for assisting South Africa in the development of its nuclear capability. At its thirty-fourth session, the General Assembly adopted resolution 34/93 E on nuclear collaboration with South Africa. In the resolution, the Assembly requested the Security Council to consider mandatory measures to prevent South Africa from detonating, developing and acquiring nuclear weapons, to be enforced under Chapter VII of the Charter of the United Nations. It also reiterated its call to States to cease all collaboration with South Africa in the nuclear field, including the purchase of uranium or enriched uranium from South Africa.

55. The significance to South Africa of foreign participation in the development of nuclear technology is acknowledged by the South Africans themselves. In 1976, Dr. A. J. Roux, President of the South African Atomic Energy Board and Chairman of the Uranium Enrichment Corporation, stated:

"We can ascribe our degree of advancement today in large measure to the training and assistance so willingly provided by the United States of America during the early years of our nuclear programme, when several of the Western world's nuclear nations co-operated in initiating our scientists and engineers into nuclear science."

Nuclear power delivers strategic capability in both the civilian and military sectors. It offers an alternative source of energy to South Africa's vulnerable oil industry and is also used in the development of nuclear weaponry.

56. International involvement in the development of South Africa's nuclear capability began in 1945 when the United States and Great Britain, through the Combined Development Agency, began co-operating with the South African Atomic Energy Board in the development and production of South Africa's uranium resources. South Africa, with the world's third largest reserves and production of uranium in the world after the United States and Canada, has ample raw material for nuclear production. The four mines which were included in the original 1950 joint Combined Development Agency-Atomic Energy Board agreement rapidly expanded to encompass 27 mines, 17 uranium oxide extraction plants, and 9 sulphuric acid plants necessary for the uranium extraction process. In exchange for the sole purchasing rights to South African uranium, the South Africans received British and American financing, including an estimated R 66 million to cover initial capital costs for the uranium oxide production plants as well as the scientific and technological

44/ Official Records of the Security Council, Thirty-fourth Year, Supplement for January, February and March 1979, document S/13157.

assistance instrumental in the development and perfection of South Africa's extraction and processing capacity. South Africa's uranium production rose from nil in 1950 to 6,400 tons of uranium oxide in 1959. 45/

57. The United States Government terminated its imports of South African uranium oxide in 1971, although American corporations continue to import it. South African uranium accounted for 20 per cent of the 2,800 tons of uranium imported by the United States in 1978. The British Government depends on South African and Namibian uranium for almost half of its annual consumption, and South Africa exports uranium to France, the Federal Republic of Germany, Japan and Switzerland. Belgium and the Netherlands will soon be receiving South African uranium also. 46/

58. Great Britain maintains vital interests in South African and Namibian uranium production, not least of all through its London-based Rio Tinto Zinc Corporation's 25 per cent equity holding in the Rössing project in Namibia. Rössing, the single largest mining venture in Namibia, came into production in 1976 and can produce 5,000 tons of low grade uranium at full capacity. 47/

59. Other foreign interests in Rössing include Rio Argo, a Canadian subsidiary of Rio Tinto Zinc and Minatome of France. Urangesselschaft, a consortium of the Federal Republic of Germany, withdrew its shareholding in 1972. 48/

60. Rössing's main contract is with the British Nuclear Fuels Limited, a parastatal corporation linked with the United Kingdom Atomic Energy Agency, for the supply of 7,500 tons of uranium between 1977 and 1982 (S/13157). Although Rio Tinto Zinc denies any effective South African control of the Rössing board, the mine is admittedly subject to South Africa's Enrichment Act of 1974 which would allow the South African Government to obtain any amount of uranium for any use it required. 49/ Any extraction, production, or purchase of Rössing uranium is, of course, in violation of the 1974 Decree No. 1 of the United Nations Council for Namibia on the Protection of the Natural Resources of Namibia. Production of uranium by South Africa has doubled since 1974 and the South African Chamber of Mines estimates that production will rise by another 50 per cent in the early 1980s. The price of uranium skyrocketed from \$7.70 per pound in 1974 to \$43 per pound in 1978. The increase in production was, until recently, in part due to supply problems in Canada and Australia, and South Africa took over many of these countries' customers. 50/ In 1977, France contracted with South Africa for the annual supply of 900 tons of uranium oxide to France for a period of 10 years. A Belgian company has also recently signed a long-term contract with government approved guarantees for the purchase of South African uranium. 51/

45/ Ibid.

46/ Dan Smith, South Africa's Nuclear Capability, World Campaign against Military and Nuclear Collaboration with South Africa, February 1980.

47/ "Can South Africa Bring Back Foreign Capital", Euromoney, June 1979.

48/ Dan Smith, op. cit.

49/ Zdenek Cervenka and Barbara Rogers, The Nuclear Axis: Secret Collaboration between West Germany and South Africa (New York: Times Books, 1978).

50/ Euromoney, op. cit.

51/ Dan Smith, op. cit. See also foot-note 44.

61. Areas in Namibia and the Northern Cape are undergoing extensive exploration for new uranium reserves. Anglo American Corporation, Esso and Union Carbide are exploring in the Karoo Desert. Anglo American is the main company exploring the Northern Cape, as well as secondary deposits around the Rössing mine. 52/ Other foreign companies which have been and are involved in prospecting and exploration in Namibia and South Africa include Union Carbide, Utah Mining, Newmont Mining Corporation, United States Steel, (all from the United States); Compagnie Française des Pétroles, Aquitaine, Minatome, (all from France); and Falconbridge Nickel Mines (Canada). 53/

62. On 8 July 1957, the United States entered into an agreement with South Africa under the Eisenhower "Atoms for Peace" programme. The agreement called for full co-operation in nuclear development between the two countries until the year 2007 and provided for the construction of South Africa's first nuclear power reactor, Safari I at Pelindaba. Allis Chalmers, a United States firm, supplied the light water reactor which uses highly enriched uranium. Work on the research reactor began in 1961 and was completed in 1965 with the co-operation of the following United States research organizations: Argonne National Laboratory, the National Laboratories at Brookhaven and Oak Ridge, Rochester University, the University of Illinois, New York University, Massachusetts Institute of Technology and the Reno Research Centre (S/13157 54/). Other firms which provided equipment and participated in the construction of the reactor and related facilities were the West German companies, Krupp Friedrich and Brown, Boveri and Compagnie, and the French makers belonging to the Association Française de l'Industrie Nucléaire d'Équipement (AFINE). 55/ The 20 megawatt reactor utilizes highly enriched weapons-grade uranium and provides an essential training ground for South African scientists and technicians. United States companies which have supplied vital computer systems to the South African Atomic Energy Board and the Uranium Enrichment Corporation include IBM, Control Data, Hewlett-Packard, Computer Sciences, and Foxboro. 56/

63. From 1961 to 1976, Safari I received 228 pounds of enriched uranium from the United States of America and until recently, its spent fuel elements had been reprocessed by the United States and the United Kingdom (S/13157 57/). In 1976, the United States suspended the sale of highly enriched uranium to South Africa pending the outcome of negotiations regarding South Africa's signing of the Nuclear Non-Proliferation Treaty. The United States is also reported to have supplied Safari I with sizeable amounts of heavy water and low enriched uranium, and smaller amounts of plutonium, thorium, cobalt 60 and other source materials for research and industrial applications (A/AC.11.1.493).

52/ Euromoney, op. cit.

53/ Nuclear Axis; and Euromoney, op. cit.

54/ See foot-note 44.

55/ "Imperialist Military Collaboration with South Africa", World Peace Council (Helsinki) 1978. See also foot-note 2.

56/ David Liff, The Computer and Electronics Industry in South Africa (Investor Responsibility Research Center) Washington, D.C., March 1979.

57/ See foot-note 44.

64. In 1977, two years after Safari I began to operate, a second research reactor was opened at the same location. Pelindaba Zero or Safari II, was built by the South African Atomic Energy Board using the knowledge and skills attained from the construction of the first reactor. Safari II uses only slightly enriched uranium and, unlike Safari I whose operations are subject to International Atomic Energy Agency (IAEA) and United States safeguards, the second reactor is under the exclusive supervision of South African authorities. The fuel elements for both reactors have been fabricated in the United States and the United Kingdom by Babcock and Wilcox, United States Nuclear Inc., and the United Kingdom Atomic Energy Agency.

65. Perhaps the terms of the 1957 United States/South Africa agreement which have the longest range implications for the development of an indigenous nuclear capability for South Africa are those which allow for the free exchange of information, training and technical aid between the two countries. By 1977, more than 155 American nuclear technologists and scientists had visited South Africa and 90 South Africans had worked and trained in the United States' facilities. The continuation of this type of exchange resulted in a protest in November 1979 by black employees of Argonne National Laboratories in the United States against the participation of two white South African engineers in the IAEA nuclear technology transfer programme (A/AC.115/SR.444). The operation of the Pelindaba plant was an essential element in the training of the South African nuclear scientists who developed the enrichment process that now opens the way for nuclear weapons production (A/AC.115/L.493). The speed of the development of a highly trained corps of South African scientists, technicians and engineers is directly attributable to the technical and educational assistance provided in South Africa and abroad by countries such as the United States, United Kingdom, France and the Federal Republic of Germany. 58/

66. The state-owned Electricity Supply Commission (ESCOM) is constructing a 2,000 megawatt nuclear power station due for completion between 1982 and 1984. Located at Koeberg near Capetown, the project consists of two 1,000 megawatt pressurized water reactors, Koeberg A and B. At peak capacity, the reactors will be able to produce 922 megawatts of generated electrical power. The spent fuel of the electricity generating plant is an essential source of plutonium, the chief ingredient of nuclear weapons. The Koeberg reactors could produce 400 kilogrammes of plutonium per year which, when reprocessed, would be enough to produce a Nagasaki-type weapon each week. The United States has contracted to supply enriched uranium for the facility from 1981 (S/13157). 59/

67. International competition for the \$1 billion project included bids from four consortia: General Electric Company (United States); Brown, Boveri and Compagnie (Federal Republic of Germany) and a team of three Dutch companies led by Rijn-Schelde-Verolme; Kraftwerk, and Murray and Roberts (South Africa); and a French consortium consisting of Framatome, Alsthom and Spie Batignole. The Japanese-based Mitsubishi withdrew its bid in 1975. 60/

58/ Dan Smith, *op. cit.*

59/ See foot-note 44.

60/ See "The Activities of Transnational Corporations in the Industrial, Mining and Military Sectors of Southern Africa", (United Nations publication, Sales No. E.80.II.A.3).

68. Various factors, including public protest, the potential obstruction of delivery of the facilities and the lack of credit guarantees, eliminated the Dutch, West German and United States consortia. The French group, however, met most of the requirements of the South African Government and consequently won the Koeberg contract. The reactors, manufactured under a Westinghouse Electric Corporation licence, are to be delivered by Framatome which is associated with the Creusot-Loire Group. Alstom is constructing the turbine generators and Spie Batignole is responsible for the construction of the power plants and the site management. Soderm, a French subsidiary of the Philips group (Netherlands), is supplying electronic components for the twin reactor, and a consortium of French banks headed by the state-owned Crédit Lyonnais and the Banque de l'Indochine is providing the financing. The United States will supply through 1992 the three per cent enriched uranium used by the reactors, and Eurofuel, a Belgian-French company, will fabricate the uranium into fuel rods. 61/ The Government of France, in keeping with the other bids, insisted on and received the application of IAEA safeguards at the Koeberg facilities. 60/

69. South Africa's independence as a nuclear power pivots on the country's uranium enrichment and plutonium reprocessing capabilities. South Africa's refusal to sign the nuclear non-proliferation treaty exempts it from any IAEA safeguards which prevent the diversion of uranium and nuclear facilities to military purposes. Self-sufficiency in enrichment and reprocessing is, therefore, a top priority of the South African régime.

70. With the third largest reserves and production of uranium in the western world, South Africa has ample raw material for nuclear production. The South African Atomic Energy Board (AEB), established in 1948 to oversee the extraction and sale of uranium, initiated a research and development programme in 1959. The development of enrichment technology began in 1960 under the aegis of the AEB and an experimental plant was established in 1968 at Pelindaba. 60/

71. By 1969, the Nuclear Fuels Corporation (NUFCOR), a consortium of uranium producing companies, was producing uranium tetrafluoride, a technical development which was instrumental in the subsequently successful completion of the uranium hexafluoride process. That process places uranium on the threshold of enrichment, providing the "feed material" for the enrichment plants. 62/

72. A pilot enrichment plant at Velindaba, near the Pelindaba facilities, has been in operation since 1975. The secrecy with which the enrichment programme has been conducted leaves the international community speculating as to exactly how advanced South Africa's operations in this critical area are.

73. The extensive contact and assistance provided by foreign scientists resulted in a secret jet nozzle enrichment technique closely resembling one developed by the Gesellschaft für Kernforschung (Federal Republic of Germany) in 1959. The jet nozzle process, involving isotope separation by tubes, consumed too much electricity and was therefore not competitive with other enrichment techniques. 63/ In 1973, the Steinhohlen-Elektrizitäts AG (STEAG) which held the exclusive rights for the

61/ Dan Smith, op. cit.

62/ Cervenka and Rogers, The Nuclear Axis, op. cit.

63/ "Imperialist Military Collaboration with South Africa", op. cit.

industrial utilization of the jet-nozzle technique, contracted with the Uranium Enrichment Corporation of South Africa (UCOR) to compare the technical feasibility and economic efficiency of the West German technique with an alleged indigenous South African process. The relative low cost of electricity in a country with ample coal and cheap labour reserves would render the jet-nozzle technique practical in South Africa. The pilot plant at Pelindaba was established during this period and it is generally conceded that the jet-nozzle technique employed at the plant is an improved version of that developed by the Gesellschaft für Kerforschung although STEAG never officially licensed UCOR to develop the process.

74. The success of the pilot enrichment plant resulted in plans for a commercial enrichment plant which would provide South Africa with sufficient fuels not only to meet its own needs but also for export to other countries. The enormous strain which such an endeavour would have placed upon South Africa's uranium and financial resources forced the cancellation of the commercial plant, and present plans aim to upgrade the existing facilities at the pilot plant. The main suppliers of critical equipment for the Valindaba plants are firms from the Federal Republic of Germany, as well as some from France, the United States, and Switzerland.

75. South Africa's nuclear programme is shrouded in secrecy. Because so many of the facilities are exempt from any type of outside inspection, it is difficult to determine with precision the exact extent to which South Africa's drive for nuclear self-sufficiency has been successful. What is known however, is that in 1977 Soviet satellites detected a nuclear explosion test site facility in the Kalahari Desert. A series of statements from members of the South African Government, including former Prime Minister Vorster, stressed that, although South Africa had only peaceful nuclear intentions, the country possessed complete nuclear capability, had not signed the NPT, and would use its facilities as it saw fit. South Africa has ample uranium resources, almost definitely possesses the means of enrichment and possibly plutonium reprocessing technology. It also has technicians, scientists, and engineers trained in nuclear technology, as well as a system capable of effective short range delivery of nuclear weapons. In addition to sophisticated radar and other electronic equipment, South Africa has missile systems such as the French-designed Cactus (Crotale) and Israeli Gabriels, and British Buccaneers and Canberras and the French Mirage aircraft. 64/

76. Subsequent to the satellite detection of a suspected nuclear test in the South Atlantic in September 1979, it was reported that a South African naval task force was conducting an exercise in that vicinity at the same time. The detection of radar echoes and a "ripple" in the atmosphere is further corroborating evidence that a nuclear test did in fact take place. 65/

77. A Columbia Broadcasting System (CBS) News report based on the work of two Israeli journalists claimed that the 22 September explosion was conducted by Israel. That allegation was denied by Israel but the Central Intelligence Agency of the United States was reported to have told Congressional committees that Israel and South Africa were the most likely sources for the explosion and that it was possible that the test was a collaborative effort of the two States. 66/

64/ "Buying Time in South Africa, Counter Information Services" (London), 1978. See also foot-note 44.

65/ The Guardian (London), 31 January 1980.

66/ Washington Post, 22 February 1980.

78. Scientists also speculate that the explosion may have been a neutron bomb test, which would explain the absence of radioactive fallout. ^{67/} Testifying before the Security Council Committee established by resolution 421 (1977) on 14 March 1980, William Scott Malone, a journalist, suggested that the two-to-three kiloton yield of the explosion matches that of the 155 mm. nuclear shells belonging to the United States Army. The Space Research Corporation, a Canadian/United States arms company, illegally shipped at least 55,000 155 mm. shells to South Africa in 1977-1978 (S/AC.20/SR.26).

79. It is clear that South Africa has a military nuclear capacity. The report of a probable nuclear explosion is only the most recent reminder to the world community of the urgent need to take effective measures to stop the development of South Africa's nuclear weapon programme.

^{67/} Washington Post, 9 March 1980.

D. Implementation of United Nations resolutions regarding economic relations with South Africa

80. The South African economy has fluctuated strongly in the past decade. Several factors, all related to the growing cost of maintaining the repressive apartheid system, are accountable for the overseas debt burden and a balance-of-payments deficit which plagued South Africa throughout much of the 1970s.
81. Recognizing that the economy is heavily dependent on foreign sources for vital technology, finance, capital goods and oil and therefore would be particularly susceptible to international sanctions, the régime undertook a massive self-sufficiency drive in the early 1970s. Emphasis was placed on the development of major infrastructural projects in strategic economic sectors such as transportation, communications, energy, and steel production, as well as the building of military armaments and stockpiling of oil. Such a massive investment drive, coinciding with a drop in the price of gold in the mid-1970s and a rise in oil prices, would not have been possible without extensive foreign participation in the economy.
82. The policy of the South African régime in the latter half of the decade emphasized a tightening of import controls and government spending. Although the boost in exports, combined with favourable prices for gold, platinum, diamonds and other minerals on the international markets, has resulted in a positive balance of payments on current accounts since 1977, the South African economy has not attained a level of guaranteed long-term stability.
83. South Africa has been hard hit by the oil price increases, particularly since the cut-off of Iranian oil forced it to resort to the more expensive spot oil market. Oil import costs for 1979 amounted to an estimated \$5 billion, more than double the 1978 level, although by volume, imports of crude oil fell by about 25 per cent and refined oil imports remained fairly constant. 68/ Although this expense has so far been offset by corresponding increases in South Africa's gold and mineral exports, the cost of oil eroded the surplus on current account by R 1.2 to R 2.3 billion in the second quarter of 1979. The inflation rate accelerated in July 1979 to an annual rate of 12.9 per cent - much of the increase attributable to the fuel price rise. 69/ South Africa may have to resort to extensive foreign borrowings, as it did earlier in the decade, to offset any future deficits.
84. Other obstacles which stand in the way of long-term economic stability include the burgeoning black unemployment rate currently estimated at 20 per cent, a high and increasing inflation rate, and the omnipresent threat of partial or total international economic sanctions. 70/ A high rate of economic growth is critical for the reduction of unemployment in South Africa. The régime's goal of 4 per cent real growth in 1979 is not expected to have any noticeable impact on black unemployment and all sources indicate that a considerably larger inflow of foreign capital in the form of investments and long-term loans, is necessary to attain

68/ Martin Bailey, "Oil Sanctions: South Africa's Weak Link", paper presented at the International Seminar on Oil Embargo against South Africa, Amsterdam, 14-16 March 1980.

69/ Financial Times (London), 22 August 1979.

70/ The New York Times, 14 November 1979; and Rand Daily Mail (Johannesburg), 22 August 1979.

more effective 5 to 6 per cent real growth rate. 71/ As Minister of Finance Owen Horwood said, "Apart from the balance-of-payments aspect, foreign investment in the Republic is important for development purposes in an expanding economy, and for the technical know-how which normally accompanies such transactions". 72/ The economic and military viability of the apartheid régime in South Africa continues to be dependent on the willingness of the international community to maintain and expand its investment, trade, and lending activities with South Africa.

85. The following sections examine some of the various forms of foreign economic investment in South Africa, including trade and oil, direct corporate investment, banking, airlines and shipping, and immigration. Foreign interests have penetrated every aspect of the South African economy and, in most cases, are directly responsible for the development of South Africa's domestic productive capability. The extent of foreign participation in the South African economy is too vast and complex to be examined in detail in this report. The goal herein is to broadly define international economic involvement in South Africa.

1. Trade relations, including gold and oil

86. The General Assembly, in resolution 1761 (XVII), requested all States to refrain from trading with South Africa. Many States which complied with this and with subsequent resolutions, including 32/105 G, 33/183 H, and resolution 34/93 A, did so despite great national sacrifice. Certain other countries, especially the main trading partners of South Africa, have not implemented the recommendations of the Assembly and, to the contrary, have increased their trade with the apartheid régime.

87. South Africa's balance of payments on current account experienced severe fluctuation in the 1970s. The economy is heavily dependent on world trade and therefore would be particularly susceptible to international sanctions. In the early 1970s the South African Government undertook an extensive self-sufficiency drive in the form of a major capital investment in infrastructural development and expansion. External events from 1973 to 1976 - including the imposition of an oil embargo on South Africa by the Arab States in 1973; the impact of the worldwide inflationary cycle; the 1975 drop in the price of gold - South Africa's principal source of external revenue; and a trebling of the defence budget between 1974 and 1976 necessitated by South Africa's intervention into Angola, as well as the suppression of growing domestic uprisings, further contributed to the annual deficit. The effect of this joint infrastructural and strategic investment drive was reflected in a cumulative current accounts deficit R 6.5 billion by year-end 1976. 73/

88. By 1978, strict governmental economic policy resulted in a surplus on current account totalling R 1,412 million, more than three times the surplus of the preceding year. Most of this surplus was attributable to 1978 gold exports of

71/ "Foreign Economic Trends ...", op. cit.; and Financial Mail (Johannesburg), 10 August 1979.

72/ "Can South Africa Bring Back Foreign Capital?", Euromoney, June 1979, supplement.

73/ South African Reserve Bank, Quarterly Bulletin, March 1979.

R 3,863 million. ^{74/} The current account surplus doubled in 1979 to over R 3 billion, again reflecting rising gold prices.

89. Despite the negative balance of payments from 1970 to 1976, the actual volume of world trade with South Africa increased steadily. In those years, total trade increased from R 3,961 million to R 10,391 million and by 1978 had reached R 14,618 million. An increase in South Africa's exports from R 1,421 million in 1970 to R 7,785 million in 1978 corresponded to a growth of imports from R 2,540 million to R 6,833 million in the same years. South African exports are headed by primary commodities such as gold, base metals and minerals, diamonds, and semi-precious stones, prepared food-stuffs and tobacco. In return, South Africa receives vital capital goods imports including machinery and electrical equipment, computers, transport equipment, and chemicals and allied products.

Table 3

South Africa's annual imports and exports*
(in millions of rand)

<u>Year</u>	<u>Imports</u>	<u>Exports</u>	<u>Total</u>
1970	2,540	1,421	3,961
1971	2,880	1,418	4,298
1972	2,824	1,838	4,661
1973	3,275	2,421	5,696
1974	4,909	3,350	9,259
1975	5,545	3,983	9,528
1976	5,859	4,532	10,391
1977	5,135	5,863	10,998
1978	6,274	7,270	13,544

Source: Department of Customs and Excise, Monthly Abstract of Trade Statistics, Pretoria, January-April 1973; January-December 1978.

* Not including defence and oil trade.

90. In 1978, West German exports to South Africa increased by 37 per cent making the Federal Republic of Germany South Africa's principal supplier of goods, followed by the United Kingdom and the United States. British imports from South Africa declined slightly in the same year with the United States replacing Great Britain as South Africa's main export market. Japan and the Federal Republic of Germany remained, respectively, the third and fourth largest importers of South African goods for the second consecutive year. Although the import/export market has traditionally been dominated by the major Western countries, several smaller

^{74/} Ibid.

nations substantially increased their trade activities with South Africa in the past year. Argentina's exports to South Africa, although amounting to only R 9.8 million, had increased by 100 per cent from the preceding year and tourism boomed between the two countries in 1978. Switzerland's imports increased by 113 per cent, most of which was attributable to the sale of gold. And Israel's 95 per cent growth in imports in 1978 is expected to continue in the coming years when South Africa begins coal exports to that country. 75/

91. South Africa's imports for the first 11 months of 1979 were R 6,519 and its exports for the same period were R 8,475 which contrast sharply with those of the same period in 1978. South African sales to Switzerland, consisting mainly of diamonds and krugerrands, increased four-fold over the preceding year, making Switzerland the largest importer of South African goods. A 76 per cent rise in sales to Italy exceeded South Africa's 32 per cent increase in total exports for the year. The Federal Republic of Germany, the United States, France and Japan increased their South African imports from between 19 to 27 per cent.

92. Total foreign exports to South Africa rose by 13 per cent in the first three quarters of 1979. The United States, South Africa's largest trading partner, accounts for 19 per cent of South Africa's total bilateral trade, followed by the United Kingdom and the Federal Republic of Germany. 76/

75/ Euromoney, op. cit.

76/ Financial Mail, (Johannesburg), 18 April 1980.

Table 4

South Africa's main trading partners*
(in millions of rand)

	1970		1975		1976		1977		1978	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
South Africa's trade with										
United States	423	129	985	435	1267	460	975	791	987	1350
Federal Republic of Germany	374	110	1034	445	1058	490	933	529	1275	667
United Kingdom	561	447	1097	928	1030	1001	845	1330	1044	1218
Japan	221	181	612	491	600	527	626	646	824	762
France	88	38	245	115	255	159	240	28	475	276
Italy	104	43	203	92	211	144	212	152	221	198
Switzerland	50	5	140	171	124	166	120	217	168	463
Netherlands	58	35	142	89	148	127	115	146	150	200
Belgium	34	56	105	120	86	171	101	184	113	247
Sweden	45	8	103	19	90	27	74	15	79	16
Canada	70	28	80	133	86	125	64	117	83	113
Australia	60	13	86	29	89	41	61	44	67	53

Source: Department of Customs and Excise, as cited in "South Africa Survey", Euromoney, June 1979.

* Not including gold bullion, oil, and defence trade.

93. Industrialized nations, whose standard of living is particularly dependent upon extensive utilization of mineral resources, rely heavily on metal and mineral imports from South Africa. South Africa has large reserves and resources of numerous minerals and is the fourth largest producer of non-fuel minerals in the world. It is one of the world's leading producers of gold, diamonds, platinum-group metals, chrome ore, manganese, vanadium, antimony, asbestos, vermiculite, and uranium. Mining constitutes one of the principal industries in South Africa, with mineral exports accounting for over 50 per cent of the country's foreign exchange earnings. Total annual mineral sales grew from R 1,563 million in 1970 to R 6,876 million in 1978. 77/ With the increase in gold prices, South Africa's total mineral sales rose 42 per cent in 1979 to \$11.9 billion. 78/ Principal mineral export destinations are the United States, Western Europe and Japan.

94. South Africa is a major supplier to these countries of at least four strategic metals: chromium, manganese, vanadium and platinum. These metals are essential to the chemical, steel, arms, petroleum refining, electronic, electrical, and automotive industries. The availability of platinum-group metals is critical, for example, for the successful implementation of the United States auto-emission control programme. Approximately 50 per cent of South Africa's platinum production now comes from the bantustan of Bophuthatswana, which was granted so-called "independence", but all production is handled by South African producers. Sales to Japan account for 45 per cent of South Africa's total platinum production. 79/ The Japanese Government recently lifted import restrictions on South Africa chrome ore, resulting in an agreement for the supply of 50,000 tons of South African ore, valued at R 4 million. 80/

95. Ferro-alloys, including ferrochrome and ferromanganese, are becoming increasingly important export commodities for South Africa, which now provides the western world with 63 per cent of its ferrochrome needs. 81/ South Africa supplies 80 per cent of the United States' ferrochrome needs, 72 per cent of Japan's, and 78 per cent of the European Economic Community's. 82/ Similarly, South Africa provides 40 per cent of Organization of Economic Co-operation and Development (OECD) import requirements of ferromanganese and accounts for 55 per cent of United States ferromanganese consumption. A significant portion of the ferromanganese imports by the United States from South Africa is processed from ore in Japan and France before being shipped to the United States. 83/

96. South Africa's exports of coal to the European Economic Community have trebled in the past three years, from 3.5 million tons in 1976 to 10.5 million tons in 1978. 84/ Denmark's 1978 coal imports represented an increase of 118 per cent

77/ Sunday Times, Business Times (Johannesburg), 26 August 1979.

78/ The Star (Johannesburg), 15 March 1980.

79/ Euromoney, op. cit.

80/ Rand Daily Mail (Johannesburg), 27 August 1979.

81/ Sunday Times, Business Times (Johannesburg), 26 August 1979.

82/ Ibid., 12 August 1979.

83/ United States Bureau of Mines Commodity Data Summaries, 1977 and 1978.

84/ The Star (Johannesburg), 28 February 1979.

over 1977, most of which goes to the Danish electrical power conglomerate, Elsam, in spite of expressed government concern. 85/ About 30 per cent of South Africa's coal exports go to Japan and the two countries are about to sign contracts whereby South Africa will provide 25 per cent of Japan's steam coal requirements and serve as a major source of iron ore for Japan from at least 1980 to 1985. 86/ In 1979, the Israeli Electric Corporation contracted to purchase \$23 million annually of South African coal. 87/ The expanding coal market and improved capacity at Richards Bay port complex were reflected in 1979 coal sales of \$1.3 billion. 88/

97. Most of South Africa's high grade anthracite goes to French and Belgian steel industry and power station users. In 1978, South Korea bought R 12 million of South African anthracite and was negotiating another million tons valued at R 30 million for 1979. 89/

98. Uranium sales in 1978 soared to R 500 million from R 70 million five years earlier. The Nuclear Fuels Corporation (NUFCOR), the uranium producers consortium established in 1967, had concluded additional contracts with overseas customers worth R 1,300 million. Uranium produced in Namibia is under the control of NUFCOR and serves as a principal source for United Kingdom uranium needs. 90/

99. Until recently, South Africa exported approximately one third of its total agricultural output. 91/ Great Britain is the most important market for South African citrus exports, followed by the Federal Republic of Germany and France. 92/ Japan and Canada account for around 60 per cent and 30 per cent respectively, of South Africa's denatured sugar quota exports. 93/ Maize is another agricultural product the export of which is soaring. Taiwan recently extended a contract which allows for the purchase of 1.45 million tons of South African maize by May 1981. 94/

100. Exports to South Africa from its main trading partners are increasingly heavy in machinery; mechanical and electrical appliances; transport equipment, including aircraft; chemicals; computers; electronic and telecommunications equipment; and data-processing equipment. The significance of these products to South Africa can only be appreciated within the larger context of South Africa's over-all economic development throughout this decade. The threat of selective or total sanctions against South Africa, the continued independence struggle in Namibia and growing domestic opposition to the policies of apartheid have all contributed to the

85/ South African Digest (Pretoria), 1 December 1978.

86/ Euromoney, *op. cit.*; Daily News (Johannesburg), 28 February 1980.

87/ See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 22A (A/34/22/Add.1).

88/ The Star (Johannesburg), 31 March 1979.

89/ Sunday Times, Business Times (Johannesburg), 5 November 1978.

90/ The Star (Johannesburg), 31 March 1979.

91/ Euromoney, *op. cit.*

92/ Rand Daily Mail (Johannesburg), 24 November 1978.

93/ Ibid., 20 August 1979.

94/ South African Digest (Pretoria), 17 November 1978.

necessity of a government programme of strategic investments. Imports thus provide not only goods necessary to implement this national strategy but also vital financial and technological transfers, all of which serve to buttress the economic and military viability of the apartheid system.

101. Some of South Africa's trading partners have direct ties to particular government projects, such as the French interest in the nuclear power plant at Koeberg, but all trade in one way or another strengthens the South Africa régime's ability to withstand internal and external pressures. For example, computers and telecommunication systems are critical for the regulation and control of the majority of South Africa's population. Similarly, aircraft, trucks, electronic equipment, and chemicals contribute to South Africa's military capabilities in de facto circumvention of the international mandatory arms embargo. (For more details on implementation of the arms embargo, see section II, B). According to the South African Reserve Bank's 1978 annual report, foreign purchases of machinery and electrical equipment, transport goods, textiles, chemical products and defence material rose sharply in that year.

102. Gold is the major source of revenue for the South African economy, and gold sales, including Krugerrands, have been the principal factor in the surplus on current accounts since 1977. Gold exports earned R 3,860 million in foreign exchange in 1978, a 38 per cent increase over 1977, with an average price of \$190 per ounce. With gold averaging \$307 per ounce in 1979, sales of the precious metal exceeded R 6 billion last year. 95/ Nearly 70 per cent of that increased revenue goes to the South African Government in taxes. 96/ Balance-of-payments deficits earlier in the decade forced South Africa into several "gold swap" arrangements with Swiss banks, but the present surplus on current account permits South Africa to withhold gold from the market in order to keep prices high.

103. The increased revenue for the gold industry has come from the rise in gold prices, not from increased production. Output peaked in 1970 at 1,000 tons a year and has been declining ever since. Preliminary estimates put 1979 output at 703 tons, down slightly from 1978 production. 97/

104. South Africa's gold is marketed internationally in the form of bullion and krugerrands. The Zurich Gold Pool, established by the Swiss Credit Bank, Swiss Bank Corporation and the Union Bank of Switzerland, held a virtual monopoly on Pretoria's gold bullion in the late 1960s but now takes only about 60 per cent. British dealers account for an additional 20 per cent and the remainder is marketed through bullion dealers from the United States and the Federal Republic of Germany, such as J. Aron and Company and the Republic National Bank and the Deutsche Bank and Dresdner Bank. 98/

105. Approximately 22 per cent of South Africa's 1979 gold output was used for krugerrands, a one troy ounce coin whose value recently soared with the record gold prices. The coin is marketed abroad by the International Gold Corporation, Ltd., the marketing arm of the South African Chamber of Mines. Sales of the coins

95/ Sunday Times (Johannesburg), 17 March 1980.

96/ Los Angeles Times, 17 February 1980.

97/ The Star (Johannesburg), 2 February 1980.

98/ The Star (Johannesburg), 2 February 1980; and Rand Daily Mail (Johannesburg), 9 July 1979.

reached a record high of just over six million coins in 1978, earning South Africa R 1,045 million in foreign exchange. 99/ Swiss Bank Corporation was by far the largest single buyer of the coins in 1979, taking about 40 per cent of the 4.9 million coins sold abroad. 100/ The largest markets for the coins are the United States and the Federal Republic of Germany, and a surge of investments in the coin is expected in the United Kingdom since the Bank of England lifted its four-year-old ban on the sale of krugerrands in June 1979. 101/ Sales of krugerrands resulted in a 113 per cent rise of South African exports to Switzerland in 1978.

106. Oil has become an increasingly important facet of trade relations with South Africa. For all South Africa's mineral wealth, it is lacking in domestic reserves of oil and therefore relies completely on imports of this vital raw material to meet its energy consumption needs. Oil provides approximately 25 per cent of South Africa's domestic energy needs, 66 per cent of which is utilized for transport requirements, with lesser amounts going to the mining, household and agriculture, and industrial and commercial sectors. 102/ Oil plays a decisive role in the military capability of the South African régime in so far as the mobility of South Africa's army, navy, and air force is dependent on the availability of oil products. Although oil is considered under South African law to be a "munition of war", it is not covered as such under the terms of the 1977 United Nations mandatory arms embargo.

107. Five foreign-owned oil companies control 85 per cent of the South African oil industry: Shell (Dutch/British); British Petroleum (British); Mobil (United States); Caltex (United States); and Total (France). Four other companies which have smaller operations in South Africa are: Sasol (South Africa); Trek (South Africa controlled); Esso (United States); and Sonarep (Portugal). The attractiveness of South Africa as a lucrative market for the world's oil "majors" has not only ensured South Africa a supply of crude oil and oil products but has given South Africa access to critical technical expertise in oil exploration, refining, petro-chemical industry, and mining, as well as the capital necessary to develop these areas. The same oil "majors" are further expanding their investments in southern Africa in the strategic sectors of chemicals, nuclear energy, metal explorations, and uranium and coal mining. The oil companies, mainly British Petroleum, Shell and Total recently received concessions from the Government for major investments in coal mining and export. 103/

108. The South African régime's fear of an international oil embargo has resulted in domestic legislation which requires the oil companies, inter alia, to produce specialized oil products required for strategic reasons, irrespective of commercial potential; to obtain official approval for any construction of new, or expansion

99/ Euromoney, op. cit.

100/ The Star (Johannesburg), 2 February 1980.

101/ Rand Daily Mail (Johannesburg), 13 June 1979.

102/ Unless otherwise noted, all data in this section derives from: Martin Bailey and Bernard Rivers, "Oil Sanctions Against South Africa", United Nations Centre Against Apartheid, Notes and Documents No: 12/78, June 1978; and Martin Bailey, "The Impact on South Africa of the Cut-off of Iranian Oil", United Nations Centre Against Apartheid, Notes and Documents No: 16/70, July 1979.

103/ Euromoney, op. cit.

of existing, oil refineries; and to set aside a certain percentage of their refined oil for government purchase. As noted previously, information relating to the oil industry is so closely regulated as to forbid access to information about the South African oil subsidiaries by even the overseas parent companies.

109. The above legislation was enacted following a 1973 Arab League decision to impose an embargo on all oil shipments destined for South Africa. The embargo was, for the most part, unsuccessful primarily as a result of Iran's refusal to follow the decision of the Arab States. Until the change in government at the end of 1978, Iran provided 90 per cent of South Africa's oil needs. Today, no country is openly supplying oil to South Africa with the exception of the Sultanate of Brunei, whose external affairs are controlled by the United Kingdom. Brunei exports about 25,000 barrels of oil per day to South Africa under a contract between the London-based Shell International Petroleum (a subsidiary of Royal Dutch Shell) and SASOL of South Africa. 104/ Refined oil products, most of which originate in Italy, the United States, the United Kingdom, the Netherlands, and the Federal Republic of Germany, constitute only 4 per cent of the country's total oil imports by volume but are extremely important because the specialized products cannot be produced in South African refineries.

110. The termination in 1979 of oil shipments to South Africa by the new Government of Iran had a major impact on the racist régime. Although the sources from which South Africa is currently obtaining the bulk of its oil since the cut-off of Iranian supplies in 1979 are unknown, it is known that much of it is obtained on the "spot" market, the main center of which is Rotterdam. Origins of crude oil purchased through brokers on the spot market are difficult to monitor, as the oil passes through a number of intermediaries. It is possible that oil from countries which have an official embargo on shipments to South Africa is none the less reaching that destination without the knowledge of the governments concerned, or that the international oil companies and oil brokers are deliberately violating sales conditions of embargoed oil. In 1974, the Chairman of British Petroleum admitted that the international oil companies had intentionally set out to thwart Arab attempts at enforcing embargoes on countries like South Africa. The oil companies that operate in South Africa are the same ones that were disclosed to be involved in elaborate paper chases in order to ship oil illegally to Rhodesia.

111. The possibility also exists that oil from several countries is still reaching South Africa. It was reported that two tankers transporting oil from South American countries off-loaded cargoes in South African ports in January 1979. 105/ In December 1979, the tanker Salem allegedly off-loaded 193,000 tons of Kuwaiti crude oil, valued at \$56 million, in the South African port of Durban. The original purchaser of the oil, the Italian oil company Pontoil, claimed that it sold its cargo to the Shell Oil Company about two weeks before it was off-loaded in South Africa. The Government of Kuwait, in keeping with its embargo on oil sales to South Africa, has suspended all oil sales to Pontoil pending the outcome of an investigation into the affair. 106/ According to preliminary reports, Volkskas Bank furnished the Salem's owner with a letter of credit necessary to buy the ship.

104/ "Fueling Apartheid", African National Congress of South Africa, paper presented to the International Seminar on an Oil Embargo against South Africa, Amsterdam, 14-16 March 1980.

105/ Rand Daily Mail (Johannesburg), 19 January 1979.

106/ Ibid., 8 February 1980.

The transaction was carried out by Marine Midland Bank in London. Following the discharge of its cargo in South Africa, the Salem was scuttled off the coast of Senegal. 107/

112. Another means by which oil is reaching South Africa is through swap agreements whereby embargoed oil is exchanged for non-embargoed oil before being transferred to South Africa. The British Government's lifting of a four-year ban on oil swap agreements on North Sea oil precipitated the nationalization by the Nigerian Government in June 1979 of British Petroleum's oil production and refining interests in Nigeria. 108/

113. Earlier in May, Nigeria seized the South African Safmarine-owned tanker Kulu. The tanker was built in Japan in 1971 for Safmarine and at the time of its seizure was chartered to British Petroleum. The Government of Nigeria confiscated the \$30 million oil cargo of the tanker as a "final lesson" to shippers intent on supplying oil to South Africa. 109/

114. The oil that South Africa is receiving today is costing more due to the high cost of the spot markets as well as increased shipping expenses. The increased cost is placing a heavy burden on the economy, a burden which is currently being offset by a rise in the prices of South African gold and mineral exports. Increases in gas prices have so far been partially offset by retail price hikes but the oil costs will nevertheless have a severe long-term impact on the country. The gravity of the South African oil situation is illustrated by the legislation passed earlier this year which forbids the circulation of any information regarding the source, manufacture, transportation, destination, storage, quantity, or stock level of a petroleum product being acquired or manufactured in South Africa. 110/

115. The Southern Oil Exploration Corporation (SOEKOR) was established in 1965 and is owned by two government parastatals. The fourteen-year oil exploration project, equipped with a variety of American-built rigs, including the California - manufactured Sedco 708, off the Indian Ocean, has not been productive. New searches have been started at the Atlantic Ocean coastline and most recently, the régime allocated an extra R 37.7 million to SOEKOR to finance three off-shore drills. 111/

116. South Africa's state-controlled Strategic Oil Fund, used to finance the establishment of secret oil reservoirs and the oil-from-coal plants of SASOL II and SASOL III, has been largely funded by West German banks, which have extended over DM 221 million of loans to the Fund since 1976. The banks involved include Dresdner Bank, Commerzbank, Deutsche Bank, Bayerische Vereinsbank, Berliner Handels-und Frankfurter Bank (BHF), Westdeutsche Landesbank Girozentrale, and the Bayerische Landesbank Girozentrale. The latter two banks are publicly

107 Ibid., 25 February 1980; and Time, 18 February 1980.

108/ Anti-Apartheid News (London), September 1979.

109/ The Star (Johannesburg), 19 May 1979; and Sunday Times, Business Times (Johannesburg), 13 June 1979.

110/ The Star (Johannesburg), 28 April 1979.

111/ The New York Times, 13 July 1979; The Star (Johannesburg), 4 January 1979; and Rand Daily Mail (Johannesburg), 11 March 1980.

controlled and therefore subject to regulation by the Government of the Federal Republic of Germany. 112/

117. South Africa's attempts to develop alternative fuel sources date back to 1955 with the establishment of the pilot plant of the South African Oil, Coal, and Gas Corporation, Ltd., (SASOL). SASOL exploits South Africa's massive coal reserves with a process utilizing a gasification process developed in Nazi Germany together with a SASOL-designed "Synthol" method. Operating at full capacity, the original SASOL plant produces 5 per cent of South Africa's oil needs, supplies 600 South African industrial companies with raw materials, and exports chemicals to thirty-five countries. 113/ The success of the pilot plant led to the SASOL II project in 1974 and a subsequent expansion to encompass a SASOL III plant. The \$6.8 billion coal-to-oil project is the most expansive industrial project currently under way in the world. According to then Economic Affairs Minister J. Chris Heunis, when SASOL II and III are in full operation, they will annually process 60 million tons of coal and, by completion in 1982, will meet approximately 47 per cent of South Africa's current liquid fuel needs. 114/ General Mining and Sentrachem recently disclosed preliminary plans to build a fourth, privately owned, coal-to-oil conversion plant. 115/

118. The managing contractor for the SASOL projects is a subsidiary of the Fluor Corporation of the United States, and most of the plant equipment comes from the United States, France and the Federal Republic of Germany. 116/ Contracts for engineering and equipment for SASOL III have been awarded to the Siemens group in Pretoria and General Electric (United States and United Kingdom). 117/ At least four other American firms - Honeywell, Control Data, Raytheon, and Westinghouse - have contracts and other business links with the projects. 118/ Export credits, the bulk of which are being arranged by French and West German banks, are providing much of the capital costs for SASOL II and III. 119/ Until recently SASOL was wholly government-owned, but in 1979 a \$525 million SASOL stock offering was made to private investors in South Africa. 120/ Hill Samuel and Company Ltd., a bank of the United Kingdom, arranged a \$25.5 million Euromoney credit for SASOL II in 1976. 121/

112/ Gottfried Wellmer, Oiling Apartheid: The Role of West German Loans for South Africa's Strategic Oil Fund, Issa (Bonn), April 1979.

113/ Euromoney, op. cit.; and Washington Post, 29 July 1979.

114/ "Fluor Corporation", South African Review Service, Investor Responsibility Research Center, (Washington, D.C.), March 1980.

115/ The Washington Star (Washington, D.C.), 18 February 1980.

116/ New York Times, 8 March 1979; "Fluor Corporation", op. cit.

117/ Rand Daily Mail Supplement (Johannesburg), 31 July 1979.

118/ "Fluor Corporation", op. cit.

119/ "Campaign against the Financing of SASOL", End Loans to South Africa (ELTSA), paper presented to the International Seminar on an Oil Embargo against South Africa, Amsterdam, 14-16 March 1980.

120/ "Fluor Corporation", op. cit.

121/ Corporate Data Exchange, "Bank Loans to South Africa, 1972-1978", United Nations Centre Against Apartheid, Notes and Documents No. 5/79, May 1979.

119. With the increase in international concern for synthetic fuel production, several countries, including the United States, Canada, Brazil and Australia, are reported to have expressed interest in acquiring South Africa's coal conversion technology. 122/ The advantage to these countries would be that, rather than developing their own coal to oil technologies, they could appropriate South Africa's process. 123/ The United States Department of Energy, although not dealing directly with the South African régime, is reported to be interested in purchasing information on South Africa's conversion process from private United States firms. One firm, Texas Eastern Corporation of Houston, is requesting that SASOL, in co-operation with the Fluor Engineers and Constructors Inc., its United States marketing partner subsidiary, proceed with a feasibility study for the application of SASOL technology to United States conditions. Secrecy agreements must be entered into with SASOL before technology is licensed to foreign clients on terms commercially favourable to SASOL. The eventual construction of Sasol-type plants in foreign countries would directly contribute to SASOL's profits. 124/ A Japanese consortium is reported to have contracted SASOL to supply the know-how to turn low grade Australian brown coal into high grade metallurgical coke. 125/

2. Investment

120. The question of foreign investments in South Africa has long been of concern to the General Assembly. In its resolutions 31/6 K, 32/105 O, 33/183 O and 34/93 Q, the Assembly has acknowledged the significance to South Africa of continued investment by transnational corporations and foreign financial institutions. Consequently, the Assembly has urged the Security Council in these resolutions to consider the matter with a view to taking effective steps to achieve the cessation of such investment. In resolution 34/93 Q the Assembly again urged the Security Council to consider the matter of foreign investment in South Africa with a view to taking effective steps to achieve the cessation of such investment. In November 1979, the British Anti-Apartheid Movement, in co-operation with the Special Committee, organized the International Seminar on the Role of Transnational Corporations in South Africa. The report of the seminar called for an urgent campaign for total sanctions against South Africa (see A/34/655, annex).

121. The development of the apartheid economy has historically been, and continues to be, heavily dependent on extensive foreign investment. Transnational corporations have contributed to the growth of South African industries ranging from iron and steel, chemicals, transportation, mining, electrical equipment, machinery and computers. They have essentially built up the advanced industrial base needed to equip South Africa's defence and police forces with all but the most sophisticated weaponry and have enhanced South Africa's nuclear production capability.

122. As South African industries have internalized foreign technology, foreign investors have consistently shifted to the least developed sectors of the South African economy, providing South Africa with sophisticated technology far in

122/ The New York Times, 5 September 1979.

123/ Washington Post, 29 July 1979.

124/ The Citizen (Johannesburg), 31 August 1979.

125/ The Star (Johannesburg), 26 April 1979.

advance of its local productive capability. Thus, foreign investment is currently concentrating on the strategic fields of energy production (both oil and nuclear), as well as computers and electronics, all of which have extensive military ramifications.

123. Foreign investment in South Africa has increased from R 5.8 billion in 1970 to R 21.3 billion in 1977. In 1977, the percentage of foreign investment originating from countries in the European Economic Community stood at 63 per cent, that from the rest of Europe at 8.2 per cent, and that from North and South America at 24.1 per cent. 126/ Direct investment as a percentage of total foreign investment has, however, declined since 1970. By the end of 1978, total foreign investment in South Africa was more than R 22 billion (\$US 27 billion), of which only 40 per cent represented direct investment. 127/ The growth in the relative share of total foreign liabilities made up by non-direct investments reflects the growing importance of foreign loans and minority equity investments.

126/ South African Reserve Bank, Quarterly Bulletin (December 1977 and 1978). Cited in "The Activities of Transnational Corporations in the Industrial, Mining and Military Sectors of Southern Africa," (United Nations publication, Sales No. E.80.II.A.3), para. 35.

127/ South African News Review (New York), 8 May 1980.

Table 5

Foreign liabilities of South Africa a/
(in millions of rand) b/

Year	<u>Direct investment c/</u>			<u>Non-direct investment d/</u>			Total foreign liabilities
	Central govt. and banking sector	Private sector	Total	Central govt. and banking sector	Private sector	Total	
1970	266	3,677	3,943	557	1,318	1,875	5,818
1971	305	4,220	4,525	936	1,572	2,508	7,033
1972	345	4,550	4,895	1,006	1,885	2,891	7,786
1973*	162	5,451	5,613	2,116	2,697	4,813	10,425
1974*	219	6,484	6,703	2,967	3,105	6,072	12,775
1975*	227	7,216	7,443	5,160	3,860	9,020	16,463
1976*	253	7,928	8,181	7,067	4,582	11,649	19,830
1977*	271	8,430	8,701	7,393	5,239	12,631	21,332
1978*	299	9,384	9,683	7,408	5,795	13,203	22,886

Source: South Africa Reserve Bank, Quarterly Bulletin.

* From 1973, the non-direct investment in public corporations and local authorities is included in the Central Government and banking sector.

a/ Foreign liabilities are the various capital assets in and claims against South Africa owned by foreign residents. South Africa incorporates Namibia into these figures.

b/ At the time the table was compiled, R 1.00 was equivalent to \$US 1.15.

c/ Direct foreign investment is defined as investment by foreigners who have a controlling interest in organizations in South Africa and the investment, in these organizations, of their affiliates or allied organizations or persons in foreign countries. A controlling interest is recognized when one foreign resident or several affiliated foreign residents own at least 25 per cent of the voting or ownership rights in an organization, or when various residents of one foreign country own at least 50 per cent of the voting rights, or when foreigners participate in a partnership.

d/ Non-direct foreign investment is the difference between total foreign liabilities and direct foreign investment.

124. The number of foreign-controlled and affiliated firms in South Africa has increased in this decade. A list of companies with investments and interests in South Africa, compiled by the International Confederation of Free Trade Unions, shows 1,883 companies in 1978 compared to 1,623 reported in 1974. 128/ However, the list is not exhaustive and other sources indicate that far more companies are active in South Africa. Many foreign firms conduct business relations with South Africa through agencies and representatives in that country.

125. Several important steps were recently taken by Pretoria to encourage increased foreign investment in South Africa, among them the introduction of new foreign exchange control regulations which favour foreign investors. New investors are now permitted to buy "financial rands" at a considerable discount, essentially stretching the value of new invested capital. 129/ Additional spurs to investment include the lowering of the interest rate in South Africa from 8.5 to 8 per cent and an increase in the amount of capital which foreign subsidiaries can raise on the South African market. 130/

126. South African authorities have consistently encouraged the development of local industries in areas which continue to be heavily dependent on foreign input. These include high technology and capital goods sectors with the current emphasis on the energy, electronics and computer industries. Many transnational corporate subsidiaries are merging with South African firms, so as to increase local South African control over industry, as well as reduce the visibility of the foreign companies which face anti-apartheid criticism in their home countries. Import substitution, with increased attention to local content, has been a longstanding programme of the South African régime, the success of which is particularly evident in the military and transportation industries. The introduction of various pieces of South African legislation, including the Protection of Business Act No. 99 of 1978 which greatly restricts the outside release of information regarding operations of transnational subsidiaries, have negatively affected external control over the operations of foreign companies in South Africa.

127. Several States have attempted to quell the growing anti-apartheid criticism of investment in South Africa by adopting "codes of conduct" for subsidiaries of national companies operating in South Africa. The United States, Canada, Switzerland, and members of the European Economic Community (EEC) have all adopted voluntary guidelines which vary in comprehensiveness but never challenge the fundamental structure of the apartheid system, and therefore have a negligible impact on altering the racist society.

128. The Nordic Foreign Ministers adopted a programme of action against South Africa in 1978 which calls for the discouragement or prohibition of new investments in South Africa, and the Government of Norway has refused for the past three years to grant currency transfer permits for South African investments. Perhaps most significant was the adoption by the Swedish Government in 1979 of a law which prohibits new investments in South Africa by transnational corporations based in Sweden.

128/ International Confederation of Free Trade Unions, "Investment in Apartheid," United Nations Centre against Apartheid, Notes and Documents No. 14/78, June 1978.

129/ Southern Africa (New York), September 1979.

130/ Ibid., March 1979.

129. Foreign corporations have been and are still directly responsible for the development of much of South Africa's current military and industrial capability. Initially they provided the finance, technology, capital goods, and skilled labour needed to build up various sectors of the economy. Today, much of the technology and methods have been assimilated into "indigenous" South African industry, but the country continues to depend on outside sources for capital and technological innovation. The following pages summarize the economic relations between South Africa and some of her main investment partners.

United Kingdom of Great Britain and Northern Ireland

130. The United Kingdom has traditionally been South Africa's most important trading partner, source of foreign capital, and direct foreign investor. By 1978, the United Kingdom was second only to the United States in over-all trade with South Africa, but with approximately 1,200 British controlled firms operating in South Africa, it maintained its position of being the most important direct investor. 131/ About half of all foreign direct investment in South African industry is British, representing approximately 10 per cent of all British overseas investment. 132/ The availability of British capital and technology in the formative stages of South Africa's economic and industrial development contributed to South Africa's present degree of industrial and military capability. British capital built up the gold and base metal mining industries in South Africa, and the export by British firms of capital, machinery, and expertise gave South Africa its engineering, textiles and explosives industries. By the mid-1960s, British investment in manufacturing exceeded that in mining, a trend which paralleled a change in the South African economy itself. United Kingdom investment in manufacturing more than doubled between 1971 and 1976 to £997.2 million, more than half of which is in the basic military-related industries of chemicals, metal manufacture, and electrical engineering. 133/

131. New net investment from the United Kingdom stood at £106.6 million in 1977 and £200.6 million in 1976. 134/ During 1978, a number of United Kingdom-based transnational corporations either merged with or were taken over by South African companies. Although this is not a new practice the recent increase in partnerships and sales involves industries which are crucial to the South African economy, and reflects legal and political pressures on foreign companies to reduce their visible holdings in South Africa.

131/ Financial Mail (Johannesburg), 22 September 1978.

132/ Address by British Consul-General, 7 August 1979, as reported in South African Digest (Pretoria), 5 October 1979.

133/ Ann Seidman and Neva Makgetla, "Transnational Corporations and the South African Military-Industrial Complex," United Nations Centre against Apartheid, Notes and Documents No. 24/79, September 1979.

134/ Department of Trade and Industry, Business Monitor, 23 March 1979, as cited in Christabel Gurney, "Recent Trends in the Policies of Transnational Corporations", United Nations Centre against Apartheid, Notes and Documents, Seminar 7/79, February 1980.

132. Racal Electronics Ltd. (United Kingdom) which produces defence-related electronic equipment, sold its South African subsidiary to Grinaker Holdings Ltd., in June 1978. In the same year, the United Kingdom-based General Electric Company (GEC), the biggest electrical equipment manufacturer in South Africa, sold 50 per cent of GEC South Africa to Barlow Rand, simultaneously relinquishing board control. British Leyland attempted a merger with Sigma but negotiations between the two motor vehicle manufacturers broke down after several months. United Dominions and Trust Ltd. sold its banking company to Standard Bank Investment Corporation Ltd., and British insurance companies, including Guardian Royal Exchange, Royal Insurance, Pearl Assurance, and Yorkshire Insurance have all made some of their equity available to South African investors. 135/

United States of America

133. Although official estimates of United States direct investment in South Africa amount to \$1.8 billion, total investment by the United States comprises an additional \$2.26 billion in private bank loans and at least \$2 billion in portfolio investment. As this latter type of investment is primarily held in gold stock, its value has increased sharply with the recent rise in gold prices. United States investment as a proportion of total foreign investment in South Africa has increased from 11 per cent in 1960 to more than 20 per cent in 1979, and is concentrated in the fields of computers, transportation, energy, and steel. 136/ The extensive technological innovation which accompanies all foreign investment in South Africa plays a crucial role in the development of vital sectors of the apartheid economy and far outweighs the dollar value of these investments.

134. New direct private investment by United States transnational firms in South Africa was \$84 million in 1976, \$130 million in 1977, and \$185 million in 1978. 137/ Capital expenditure by United States firms in 1979 was expected to amount to \$277 million. The greatest capital outlay was to be in the manufacturing sector, and spending was expected to nearly triple in the mining and smelting industry. Most of the increased expenditure on mining was expected to involve uranium operations, and copper mining and recovery. 138/

135. The most recent survey compiled by the United States Consulate-General in Johannesburg shows that United States companies have substantial direct investment in 338 companies operating in South Africa, and control at least 50 per cent of the shares in 275 of these cases. 139/ However, more than 1,000 United States firms are represented in South Africa through agents, a situation which is paralleled by firms from other countries. 140/ Included among the 76 new names

135/ See foot-note 60.

136/ William Raiford, "South Africa: Foreign Investment and Separate Development", Issue, Volume IX, Nos. 1/2 Spring/Summer 1979.

137/ United States Department of Commerce, Survey of Current Business, June 1979.

138/ Rand Daily Mail (Johannesburg), 13 December 1978; Star (Johannesburg), 28 October 1978.

139/ Financial Mail (Johannesburg), 3 August 1979.

140/ United States Foreign Service, United States Department of State, "Foreign Economic Trends and Their Implications for the United States: Republic of South Africa", United States Department of Commerce, May 1979.

which appeared on the most recent list are L and M Radiators, Celanese Plastics and Specialties Company, and Intermagnetic Corporation, the first American corporation to invest in the Transkei.

136. General Motors recently made an additional R 20 million investment in General Motors South Africa via the newly instituted financial rands. 141/ General Motors is a good example of a dual-purpose industry whose products can, and are, used for both civilian and military purposes. The company has been designated by the South African Government as a national key point industry because of its strategic contribution to the South African military.

137. Of the nearly 100,000 people employed by United States companies in South Africa and Namibia, Tsumeb Corporation, a subsidiary of Newmont Mining, is the largest employer with 5,000 employees. Following are Ford, General Motors, Palabora Mining Company, Sigma, and Coca Cola. Other companies with over 2,000 workers are Firestone, General Tire, Goodyear, Lion Match, Mobil, and O'okiep Copper. 142/

138. As with other transnational companies, United States firms are involved in the trend toward greater partnership with South African firms. In 1976, Chrysler sold a majority of the shares of its South African subsidiary to a subsidiary of the Anglo American Corporation. The 25 per cent equity that Chrysler retains in the new company, Sigma, permits Chrysler to disclaim any control over the operations of the firm although Sigma still depends on Chrysler for important contributions of management skills, research and development, and some components. 143/ Another instance whereby an American company has relinquished control while permitting a South African partner continuing access to important advanced technology is the 1977 sale by International Telephone and Telegraph (ITT) of a majority share of its subsidiary, Standard Telephone and Cables, to the South African group, Allied Technologies. Also in the electronics industry, the United States-based Sperry Univac entered into a joint computer venture in early 1979 with Barlow Rand. 144/ All of these ventures are critical steps in South Africa's plan of building a self-sufficient economy.

141/ The Citizen (Pretoria), 4 August 1979.

142/ Financial Mail, op. cit.

143/ Gurney, "Recent Trends...", op. cit.

144/ Ibid.

Federal Republic of Germany

139. Particular attention must be given to the growing ties of the Federal Republic of Germany with South Africa. The Federal Republic of Germany is currently the third largest direct investor in South Africa, after the United Kingdom and United States, with an estimated 350 majority-held West German corporations operating in South Africa in 1978. 145/ A total of 6,000 West German companies have business relations with South Africa, ranging from direct investment to minority interests to business and trade contracts. 146/ Investments increased 3 per cent in 1978 to an estimated R 2 billion. 147/

140. Exports of the Federal Republic of Germany to South Africa in 1978 totalled R 1,275 million (not including gold, oil, defence), representing a nearly fourfold increase since 1970. 148/ South African imports from that country were mainly high quality technical products such as machine tools, leather, textiles, machinery, electro-technical products, and motor vehicles. 149/ The Federal Republic of Germany depends on southern Africa for 40 to 86 per cent of its imports of chromium, manganese, and blue asbestos. Lending activity has increased also with the largest proportion of short-term credits (comprising primarily trade financing) deriving from the Federal Republic of Germany. 150/ Sixty-three per cent of South Africa's long-term public foreign debt at the end of June 1978 was denominated in Deutschmarks. 151/ The majority of loans to South Africa in the past two years have been private bond issues placed on the German and Swiss bond markets. 152/ The Federal Republic of Germany, together with the United States, provides the main market for South African kruggerands.

141. One of the main West German firms operating in South Africa is Siemens, a leading manufacturer of telecommunications, power engineering, computers, and other equipment. Siemens is one of the main beneficiaries of the new contracts for Sasol's expansion project, and will, by 1984, be supplying the bulk of control and instrumentation equipment for ESCOM's Kriel, Matla, and Duvha power stations. 153/ Hoechst is another West German company in South Africa, operating eight plants, including a 50 per cent partnership with the parastatal Sentrachem in the Saffropol Company. Telefunken of the Federal Republic of Germany has established in South Africa one of the most technically advanced television transmission and receiver networks in the world. 154/

145/ South African Digest (Pretoria), 24 November 1978; and Financial Mail (Johannesburg), 22 September 1978.

146/ Sunday Times, Business Times (Johannesburg) 19 November 1978.

147/ Rand Daily Mail (Johannesburg) 30 November 1978; and Star (Johannesburg), 10 January 1979.

148/ Euromoney, op. cit.

149/ South African Digest (Pretoria) 24 November 1978.

150/ Star (Johannesburg), 12 April 1979.

151/ Euromoney, op. cit.

152/ Corporate Data Exchange, "Bank Loans to South Africa," op. cit.

153/ Sunday Times, Business Times, op. cit.; Gurney, "Recent Trends ...", op. cit.

154/ Ibid.

France

142. Of the more than R 11 billion direct foreign investment in South Africa, French interests account for approximately R 500 million. 155/ The first major French industrial investment in South Africa took place in the mid-1950s when Compagnie Française des Pétroles (CFP) established Total-South Africa. 156/ Today, Total-South Africa and Elf-Aquitaine are among the French firms active in the exploration and refining of oil in South Africa and Namibia. 157/

143. French industry is now heavily involved in South Africa's major projects in the energy and communications infrastructure. French contracts for the Koeberg nuclear power station are worth about R 1.36 billion, and Air Liquide's contracts for SASOL II and III plants, built in conjunction with the French group's South African partner, Union Liquid Air, are worth R 200 million. Other projects involving French companies are those of the Sishen-Saldhana railway, ISCOR and ESCOM. 158/

144. In the area of transportation, French industry has won both air and shipping contracts. Airbus Industries delivered four airbuses, valued at R 21 million each, to South Africa in 1977 and a fifth, valued at R 33 million, is on order. French shipyards built a massive R 100 million container ship for Safmarine and other companies are filling huge navigational equipment orders. 159/

145. Most recently, Fulmen Africa, a subsidiary of France's state-owned Compagnie Générale d'Electricité, successfully tendered for a share in South Africa's transformation of its communications system, a contract which will rival that of Koeberg. France had formerly been an important supplier of military equipment to South Africa. 160/

Japan

146. Official policy of the Japanese Government seeks to limit economic relations with South Africa to "normal trade" activities. Accordingly, Japanese corporations are prohibited from investing directly in South Africa, and banks cannot make direct loans, aside from trade-related loans to South African borrowers (A/AC.115/L.513). However, there are various means by which Japanese firms, including banks, have been able to bypass these regulations.

147. Japanese firms, in particular the automobile and electronics industries, license South African firms to assemble and sell Japanese products so as to capture a larger share of the market there. Although the Japanese parent company provides the patents and blueprints, new technology, management skills and personnel training, the company legally only holds the Japanese franchise and therefore is technically not in violation of the direct investment prohibition. Thus, names such as Datsun, Toyota, Hitachi, and Toshiba appear regularly in the

155/ Financial Mail, 22 February 1980 (Special Supplement).

156/ South African Digest (Pretoria), 31 August 1979.

157/ Euromoney, *op. cit.*

158/ Financial Mail, *op. cit.*

159/ Ibid.

160/ Ibid.

South African market. Some Japanese firms invest in South Africa via United States firms which hold shares in them. 161/ There are about 90 Japanese companies with business connexions in South Africa. 162/ Japanese banks channel loans to South African borrowers through their overseas subsidiaries in Europe and the United States. 163/ Loans from the semi-public Japan Export-Import Bank are being used to offer credit to South African buyers. 164/

148. The extent of activity which falls into the category of normal trade should not be underestimated. Japan is a crucial market for South African products such as crude iron ore, platinum, uranium, and chromium. Japanese companies have contracted to build ships for Safmarine, South Africa's national shipping line, and have provided plant equipment to such strategic South African enterprises as the Iron and Steel Corporation (ISCOR) and the Electricity Supply Commission (ESCOM).

149. Also, Japan Steel has offered technological advice to ISCOR; Hitachi sold 50 locomotives to the South African Railways; and Nippon Electric Company is aiding in the construction of satellite equipment. 165/

Israel

150. Relations between Israel and South Africa have long been of concern to the United Nations. The General Assembly, in its resolution 3151 G (XXVIII) of 14 December 1973, condemned "the unholy alliance between ... South African racism ... and Israeli imperialism". In subsequent resolutions, including 34/93 P of 12 December 1979, it has condemned and demanded an end to Israel's continuing and increasing collaboration with the racist apartheid régime.

151. The Special Committee against Apartheid has constantly followed the development of relations between Israel and the apartheid régime with increasing concern and reported to the General Assembly as appropriate. 166/

152. Economic relations between South Africa and Israel have increased considerably in the past few years. Israel is South Africa's second fastest growing export market, with 1978 exports of R 58 million (not including gold, oil and defence), nearly double that of the previous year. Total trade between the two countries in that year amounted to R 82 million. 167/ Trade is expected to increase further

161/ Seidman and Makgetla, op. cit.

162/ Rand Daily Mail, (Johannesburg) 19 October 1979.

163/ Corporate Data Exchange, "Bank Loans to South Africa", op. cit.

164/ Rand Daily Mail, op. cit.

165/ Ibid.

166/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 22A (A/34/22/Add.1). For a full review of relations between Israel and South Africa see also A/AC.115/L.383 of 29 April 1974; A/AC.115/L.396 of 14 October 1974; A/AC.115/L.411 of 23 July 1975; A/31/22/Add.2 of 3 August 1976; A/32/22/Add.2 of 31 January 1978; and A/33/22/Add.2 of 20 November 1978.

167/ Euromoney, op. cit.

when South Africa begins fulfilling the terms of a \$23 million coal contract with the Israeli Electric Corporation (A/34/22/Add.1). 168/

153. An estimated R 650 million worth of South African diamonds, which are not accounted for in trade figures, are cut annually in Israel. If these uncut diamonds (supplied via London) and undisclosed defence force purchases are taken into account, Israel is already one of South Africa's biggest trading partners. 169/

154. The increase in South African exports to Israel is largely attributable to a rise in joint investment ventures between countries. South Africa's ISCOR is a partner with Israel's largest steel processor, the Koor group, in a large steel fabrication project called Iskoor, and numerous smaller investment projects are under way. Investors have been encouraged by the provision by the South African régime of a R 12 million foreign exchange allocation for companies investing in Israel, and a double taxation agreement was signed between the two countries in 1978. South Africa is interested in channeling its products through Israel to the European market. Over 250 South African firms are members of the South African-Israeli Chamber of Economic Relations. 170/

3. Banking

155. The international banking community plays a particularly important role in the South African economy. The availability of international credit and vital foreign exchange is a decisive factor in the viability of the South African Government's military, industrial and economic programmes. In the mid-70s, credit provided by foreign banks enabled South Africa to pursue a strategy of infrastructural and strategic investment, including increased defence and oil imports, despite a nine-year balance of payments deficit.

156. International banks relate to South Africa both as direct and indirect investors. Direct investment implies ultimate control over a South African-based subsidiary by a foreign corporation via a majority holding of shares. As it is more difficult to monitor financial transactions conducted on the domestic market, the added degree of confidentiality provided by international banking subsidiaries domiciled within South Africa is highly valued. Indirect investment represents the holding of a minority, and therefore non-controlling, share of stock, or indebtedness in the form of credit. In either capacity, foreign banks provide a wide range of services for South African public and private clients. In addition to raising capital on foreign and international money markets, foreign banks underwrite South African stock and bond issues, provide trade financing and insurance, market South African bullion and krugerrands, and act as hire-purchase and leasing agents.

168/ See foot-note 166.

169/ Financial Mail (Johannesburg), Israel Supplement, 14 September 1979, as quoted in A/34/22/Add.1.

170/ Financial Mail (Johannesburg), 4 May 1979.

157. Foreign corporations hold a dominant position in the South African banking industry. By 1978, foreign banks controlled over 50 per cent of all assets in the entire private banking sector with the heaviest concentration in commercial banking. The combined assets of the five major banking groups in South Africa amount to R 16,085 million. Two British banking groups, Barclays and Standard, are the first and second largest banks in South Africa respectively with total group assets of nearly R 9 billion. 171/ In a move designed to increase domestic control over the finance sector, the South African Bank Act was amended in 1976 calling for foreign interests to reduce their holdings of South African subsidiaries to less than 50 per cent of issued share capital by 1986.

158. Barclays is the leading bank in South Africa with more than 1,000 branches of Barclays National Bank and other Barclays subsidiaries and affiliates throughout the country and in Namibia. Standard Chartered Bank Ltd. of the United Kingdom is the parent company of South Africa's second largest bank, Standard Bank of South Africa Ltd. Standard's 840 branches including 32 in Namibia, were responsible for 20 per cent of the parent company's worldwide profits in the mid-70s. 172/ Although the dominant position of Barclays and Standard in the South African banking industry is based upon their histories as commercial banks, both banks have greatly diversified their operations in recent years. Both banks also maintain offices in the "bantustans". The Nigerian Government, in protest against Barclays' extensive involvement in South Africa, ordered the withdrawal of public sector funds from Barclays Bank of Nigeria Limited and a reduction of its foreign staff. 173/

159. Subsidiaries of three other transnational banks, Hill Samuel South Africa Ltd. (United Kingdom), Citibank (United States) and French Bank of Southern Africa Ltd. (France), rank among the top 22 banks in South Africa. Hill Samuel was established in 1960 to conduct merchant banking business in South Africa. The main shareholder of French Bank of Southern Africa Ltd. is the Banque de l'Indochine et de Suez, through its local subsidiary, French South African Investment Trust. 174/ It has seven offices in South Africa, and one in Namibia. The only United States bank to operate as a commercial bank in South Africa is Citibank. Its original eight branches have been reduced to three and it now concentrates solely on corporate banking. 175/

160. Many western banks which have no major visible presence in South Africa are represented there via minority holdings in South African or transnational banks, or through participation in international credit and bond syndicates, and gold deals.

161. The contribution which these banks make to the South African economy far outweighs the dollar value of their assets. The interests of the banking industry are inextricably bound to those of their corporate, government and private

171/ Euromoney, op. cit.

172/ Ann Seidman and Neva Makgetla "Transnational Corporations and the South African Military-Industrial Complex United Nations Centre against Apartheid, Notes and Documents No. 24/79, September 1979.

173/ The Star (Johannesburg), 22 March 1978.

174/ The Citizen (Johannesburg), 17 August 1979.

175/ Euromoney, op. cit.

clients and the presence of international banks in South Africa provides invaluable marketing, investment, and financial contacts for their customers. South African domiciled foreign banks extended an estimated R 4 billion of loans on the domestic market in 1975 alone. 176/ In 1977 Standard and Barclays advanced more than \$1 billion to finance the purchase of machinery and equipment which they then leased to parastatal and private corporations. 177/ Banks are also involved in vital transfers of technology as, for example, Barclays' R 59 million investment in a project designed to link all of Barclays South African bank branches into a major computer network. 178/ Banks in South Africa are also required by law to invest in government securities, including defence bonds. 179/ The best known example of this type of involvement was Barclays purchase of R 10 million defence bonds in 1976. Pressure from international anti-apartheid groups forced the bank to dispose of the bonds. But whether or not loans are granted to a direct military entity is a moot point, since any credit which is made available to the Government releases other forms of revenue for use in developing South Africa's military-industrial projects.

162. Banks which do not have actual subsidiary operations in South Africa often hold shares in banks or corporations which do. Midland Bank (United Kingdom), for example, owns a 16 per cent interest in Standard and Chartered, and Federal Republic of Germany banks such as Deutsche Bank, Dresdner Bank and Commerzbank own substantial shares in corporations of that country with heavy investments in South Africa. Many other banks such as Chase Manhattan (United States) and Bank of Tokyo (Japan) maintain representative offices in major South African cities.

163. One of the most important means by which international banks participate in the South African economy is through the mobilization of credit in foreign and international capital markets. The absence of outside capital and foreign exchange in the 1970s would have precluded South Africa's extensive economic programmes and expansion of military and oil imports. Several hundred banks from 22 countries have been identified as participants in more than 150 South African loans and bond issues from 1972 to 1978. The vast majority of these loans, valued at nearly \$5.5 billion, were made by banks from the Federal Republic of Germany, the United States, the United Kingdom, France and Switzerland. 180/ Both the dollar value of the loans and the number of participating banks increase when one takes into account the transactions which are not generally publicly documented, including, *inter alia*, loans made on a domestic market involving banks of a common nationality, private transactions of a financial institution with a corporate client, trade financing and interbank lending. Although most of the banks are in the private sector, a significant portion of the lenders, including some with major exposure, such as Bayerische Landesbank Girozentrale (Federal Republic of Germany), Westdeutsche Landesbank Girozentrale (Federal Republic of

176/ Seidman and Makgetla, *op. cit.*

177/ *Financial Mail*, (Johannesburg), 31 March 1978.

178/ *The Star*, (Johannesburg), 12 December 1978.

179/ Senator Dick Clark, "United States Corporate Interests in South Africa", Report to the Subcommittee on Foreign Relations, United States Senate, January 1978.

180/ Corporate Data Exchange, "Bank Loans to South Africa, 1972-1978", United Nations Centre against Apartheid, Notes and Documents No. 5/79, May 1979.

Germany), Banque Nationale de Paris (France), and Crédit Lyonnais (France), is publicly owned. The Governments of these countries are in direct control of the activities of these banks and therefore ultimately bear the responsibility for their involvement in South African financing. Japanese banks, which are prohibited from lending directly to South Africa by national law by channeling funds to South Africa through their overseas subsidiaries. 181/

164. South Africa's total public sector foreign debt was R 5,051 million (\$5,809) at the end of June 1978. 182/ As table VI shows, 93 per cent of this long-term debt to central government, local authorities, and public corporations is dominated in Deutschemarks, United States dollars, and Swiss francs. The only loans to public corporations, or parastatals, which have been taken into account here are those which have been guaranteed by the South African Government. Were all debts, including, *inter alia*, non-guaranteed and short-term loans, accounted for, the outstanding amount would be significantly greater.

Table 6

Outstanding amount of foreign long-term debt of the central Government, local authorities and guaranteed debt of public corporations as at 30 June 1978 by type of currency

(in millions of rand)

	Central Government	Local authorities	Public corporations	Total	Percentage of total
Deutschemarks	1,357	105	1,737	3,199	63.3
United States dollars	462	-	336	798	15.8
Swiss francs	91	7	609	707	14.0
British pounds sterling	62	-	14	76	1.5
French francs	51	-	96	147	2.9
Dutch guilders	30	-	28	58	1.1
Belgium francs	1	-	-	1	0.1
Japanese yen	-	-	65	65	1.3
Total	2,054	112	2,885	5,051	100.0

Source: South African survey, Euromoney, June 1979.

181/ Ibid.

182/ Euromoney, op. cit.

165. Until the mid-70s, foreign banks were enthusiastic about extending credit to South Africa to finance its self-sufficiency drive and overcome its balance-of-payments deficit. South Africa relied heavily on foreign capital to finance the many infrastructural projects undertaken in the 1970s. Almost all of the publicly-owned corporations, or parastatals, raised loans on international credit markets. ESCOM alone raised R 500 million from foreign sources in 1976. 183/

166. Private bank loans to South Africa nearly tripled in volume between 1974 and 1976, from \$2.7 billion to \$7.0 billion. 184/ Publicly issued bonds typically ran for 15 years with favourable terms and foreign banks readily participated in loan syndicates.

167. Following the Soweto uprising in 1976 and the subsequent intensification of international anti-apartheid activities, foreign banks became more cautious in their lending and publicity practices. Publicly identifiable foreign debt dropped from nearly \$1,500 million in 1976 to less than \$300 million in 1977. 185/ Several banks, including Citibank and Chase Manhattan (United States), issued statements in 1978 declaring an end to loans to the South African Government. Although these developments were significant in so far as they demonstrated the effectiveness of public protest against international support of the apartheid system, loans to the parastatals, private corporations, trade financing, and interbank lending continued uninterrupted. Furthermore, it became increasingly difficult to ascertain the extent of lending activity, as the banks gravitated towards the most confidential markets. Almost without exception, loans in 1978 were privately placed bonds on the markets of Switzerland or the Federal Republic of Germany where the code of secrecy has traditionally been the strongest.

168. Although banks in these two countries are currently the most active lenders, other national financial institutions are demonstrating their renewed interest in the South African market. As noted previously, foreign capital is essential for future economic growth in South Africa and R 200 million of foreign borrowings by the Government has been officially slated for 1979-1980. 186/ In June 1979, the South African Minister of Finance, Owen Horwood, arranged a 100 million Swiss franc loan on the domestic Swiss market. 187/ In addition, the state corporations and utilities, including ESCOM, ISCOR, ARMSCOR, UCOR, the Industrial Development Corporation, and the South African Broadcasting Corporation were to raise R 459 million by June 1980. South African municipalities were hoping to raise R 195 million in the same period. 188/

169. The bantustans of Transkei and Bophuthatswane and the Corporation for Economic Development which finances projects in the bantustans are seeking R 66 million in 1980. 189/ Foreign banks have extended loans to these entities in the past. 190/

183/ Financial Mail (Johannesburg), 23 September 1977, Supplement.

184/ "United States Corporate Interest in South Africa" op. cit.

185/ Corporate Data Exchange, Bank Loans to South Africa, op. cit.

186/ Eurcomoney, op. cit.

187/ Citizen (Johannesburg) 22 June 1979; and Rand Daily Mail (Johannesburg) 9 July 1979.

188/ Rand Daily Mail (Johannesburg) 27 July 1979.

189/ Rand Daily Mail (Johannesburg), 27 July 1979.

190/ Ibid., 27 July 1979.

170. South African loans which have recently been negotiated on the Euromarket include a loan of 50 million Swiss francs to SASOL arranged by Crédit Suisse (Switzerland) and a loan of \$25 million to ESCOM managed by Hill Samuel in the United Kingdom. These loans reflect the growing interest on the part of foreign corporations in South Africa's energy production capability. Despite a high level of liquidity on the domestic market brought about by soaring gold prices, South African corporations are interested in tapping foreign markets both to reaffirm their credit worthiness, and to negotiate better deals on important capital goods. 191/

171. In addition, South African public borrowers, including the central Government, local authorities, and parastatals, have a heavy long-term foreign debt burden. The parastatals, or public corporations, such as ISCOR and ESCOM, are responsible for at least \$945 million of that debt, a result of their extensive borrowings in the 1970s. This debt burden would be significantly larger if unguaranteed public corporate debt and short-term financing were included in the figures. Future borrowings of foreign capital negotiated at more favourable terms will be necessary to repay these past loans.

172. Foreign banks, particularly in Switzerland, serve as the main outlet of South Africa's gold bullion, and krugerrands are marketed by banks in several countries to their customers. The area of trade financing is one which often involves many smaller foreign banks which do not, as a rule, participate in major international loans and bond issues. The private nature of trade financing makes it extremely difficult to document involvement although it is well known that government export credit programmes in many countries encourage exports of goods to South Africa through loan guarantees, insurance, and discounts. Member States which have stopped or limited state-supported credit guarantees and insurance for exports to South Africa include Denmark, the Netherlands and Norway (A/AC.115/L.513). The United States has also placed limited restrictions on government export credit facilities to South African importers.

173. Multinational banks have been the focus of an extremely effective international campaign to end economic support for the apartheid system. Non-governmental organizations, trade unions, and student, church, and anti-apartheid organizations have put considerable pressure on banks which continue to invest in and extend loans to South Africa. Tactics of the international bank campaign range from withdrawal of both individual and institutional accounts from lending banks, shareholder resolutions, anti-krugerrand campaigns, and demonstrations and boycotts.

191/ Financial Mail (Johannesburg), 24 August 1979; Rand Daily Mail, (Johannesburg), 15 August 1979.

4. Airlines and shipping lines

Airlines

174. Since 1967 the General Assembly has adopted resolutions calling on Member States to deny facilities for flights to all airlines to and from South Africa.

175. In 1963, the Organization of African Unity (OAU) adopted a resolution requesting African States to terminate all services and facilities to airlines and ships proceeding to or coming from South Africa. Within a very short time, most OAU member States banned all South African registered aircraft from landing in, or transiting and overflying their countries.

176. However, this ban was effectively countered by South Africa. South African Airways (SAA) continues to fly to Europe around the bulge of Africa and shares revenue with other major airlines which transit in Africa and overfly African territories (see table 7).

177. SAA operates in pool partnership with the following airlines: British Airways, Alitalia, Iberia, KLM, Lufthansa, Olympic, Swissair, TAP and UTA.

178. Other international airlines which service South Africa are El Al (Israel) and SAS (Scandinavia). Qantas airlines of Australia withdrew its flights to South Africa in 1977 for lack of profit but with a renewed flight demand, it recommenced service in late 1979. 192/ Pan American Airways (United States) decided to halt its New York/Johannesburg flights temporarily from 28 October 1979 because of the high price of jet fuel in South Africa. 193/

192/ South African Digest (Pretoria), 19 October 1979.

193/ Ibid., 14 September 1979.

Table 7

Weekly overseas flights of South African Airways

	To <u>South Africa</u>	From <u>South Africa</u>	<u>Via</u>
Argentina	1	1	-
Australia	2	2	Mauritius
Austria	1	1	-
Belgium	1	1	-
Brazil	1	1	-
France	2	2	-
Germany, Federal Republic of	4	4	Las Palmas, Ilhao do Sal
Greece	2	2	-
Hong Kong	1	1	Seychelles
Israel	1	1	-
Italy	3	3	-
Netherlands	2	2	-
Portugal	4	4	-
Spain	2	2	-
Switzerland	2	2	-
United Kingdom	8	8	-
United States	3	3	Ilhao do Sal

Source: South African Airways Time-Table, 1 November 1979 to 31 March 1980.

179. Although SAA has estimated that the operational costs of flying its aircraft round the bulge of Africa is about 10 to 15 per cent more than the other airlines (R 20 million per annum) it still managed to create a surplus of R 31,900,000 in the first nine months of the 1979-1980 financial year. 194/ During the financial year 1976-1977, SAA transported a record 2,975,862 passengers and conveyed a total of 49,957 metric tons of air freight, an unknown portion of which was international. 195/ The introduction of the Boeing 707 aircraft in 1960 had a profound effect on the development of SAA. The present fleet consists of eight Boeing 707s, five Boeing 747 Super Bs, six Boeing 747 SPs, nine Boeing 727s, six Boeing 737s, three Hawker Siddeley 748s and four Airbus A300s. 196/ At

194/ Star (Johannesburg), 21 January 1978; and Rand Daily Mail, (Johannesburg), 8 March 1979.

195/ Official Yearbook of the Republic of South Africa, 1978.

196/ Official Yearbook of the Republic of South Africa, 1978.

least three of the 747 jumbo jets, valued at \$110 million, were financed by the Private Export Funding Corporation (United States) with Export-Import Bank (United States) guarantees. 197/ Similarly, the four airbuses, worth R 70 million, were heavily financed by French government export credits. 198/ SAA has decided to buy an additional R 250 million worth of aircraft, due to arrive in South Africa within the next three to four years. The 15 planes will include two Bceing 747 Super Bs, an Airbus, and 12 Boeing 737s. South African Railways is financing the two Boeing jumbos, which are due for delivery in October 1980 and January 1981. The Airbus manufacturers in France have offered a low export credit rate and the chances of a French bank arranging the R 33 million credit were reported to be good. 199/ The planes fall into the "grey area" of military imports, i.e. those materials which are purchased for ostensibly civilian purposes but which can easily be converted for military use.

Shipping

180. Despite the provisions of numerous General Assembly resolutions calling for the denial of facilities to ships travelling to or from South Africa, Safmarine, the national shipping line, continues to grow. Safmarine started its services in 1946 with the purchase of three wartime vessels from the United States. Today, with some 50 vessels owned and operated by the corporation, Safmarine ranks among the top 10 South African companies and contributes about R 80 million to South Africa's annual foreign exchange earnings. 200/ The shipping lines service South African exports and imports to the United States, the United Kingdom, Western Europe, the Caribbean, Japan and the Far East, the Mediterranean, and Australia.

181. In 1964 and 1966, orders were placed by Safmarine in the Netherlands and Japan for five dry cargo and three fast cargo ships. In 1969, Safmarine entered the giant oil tanker field in an equal partnership with Royal Interococean Lines (Australia). Safmarine owns and operates South-West Airlines.

182. In 1975 Safmarine ordered a 167,500 dryweight bulk ore carrier from a Japanese builder for the carriage of bulk iron ore exports from South Africa. The "Sishen" is the world's largest conventional bulk ore carrier and was built at a cost of R 28 million. 201/ The South African company also purchased four French-built container ships worth R 240 million. 202/ Safmarine joined with German Africa line in a R 147 million investment in container ships from the South Africa/Europe route. 203/ Of the nine South African registered merchant ships completed in 1978, two were built in France, two in Japan and the remaining five in South Africa. 204/

197/ United States Bank Loans to South Africa, Corporate Data Exchange (New York), 1978.

198/ "Black South Africa Explodes", Counter Information Services, 1977.

199/ Financial Mail (Johannesburg), 24 August 1979.

200/ Unless otherwise noted, all data in this section comes from the Official Yearbook of the Republic of South Africa, 1978, op. cit.

201/ The Star (Johannesburg), 24 September 1977.

202/ "Black South Africa Explodes", Counter Information Services (London), 1977.

203/ South African Digest (Pretoria), 18 August 1978.

204/ Lloyd's Register of Shipping, "Annual Summary of Merchant Ships Completed in the World during 1978", London.

183. In 1977, a Safmarine-owned vessel, the Tugelaland, registered in the Federal Republic of Germany, was found to be illegally transporting 155 mm howitzer shells to Cape Town in gross violation of the United Nations mandatory arms embargo against South Africa. 205/

184. As part of its increased investment plans for southern Africa, the shipping and forwarding group of Kühne and Nagel has accepted a contract for work associated with SASOL III. The contract, awarded by SASOL and Fluor Corporation (United States), involves the processing of 345,000 tons of sea and air freight and is one of the largest contracts ever handled by the company. Kühne and Nagel, a Swiss-based company founded in Germany, has been operating in South Africa for 25 years. 206/

5. Immigration

185. South Africa's demand for skilled labour has historically outpaced the growth of the indigenous white population. Since the labour demand cannot be satisfied by Africans who are denied access to the jobs, and necessary education and training, under the apartheid system, the promotion of skilled white immigration became an important programme for the Government. Despite the adoption of General Assembly resolution 2396 (XXIII) of 2 December 1968, in which the Assembly specifically requested all States to discourage the flow of immigrants to South Africa, particularly that of skilled and technical personnel, immigration has continued. In 1977 and 1978, however, more whites left South Africa than entered. 207/

186. The Department of Immigration is represented abroad by its own officers who are attached to various South African diplomatic and other official missions in Athens, Berne, Brussels, Bonn, Glasgow, Hamburg, Lisbon, London, Munich, Paris, The Hague, and Vienna. 208/ Offices of the Department of Foreign Affairs also act on behalf of Immigration, and information material is distributed by the Department of Foreign Tourism and the Bureau of National and International Communications in many countries. Notices advertising employment opportunities in South Africa regularly appear in newspapers and other publications in the United Kingdom, the Netherlands, Switzerland, Belgium, France and Austria and the Government subsidizes a private organization, the South African Immigrant Organization (Pty) Ltd (Samorgan) to recruit British skilled workers. Foreign government officials who have an interest in emigration frequently visit South Africa as guests of the Department of Immigration.

187. Skilled white immigrants who are drawn to South Africa by prospects of employment and a high standard of living, are further enticed by a programme of South African government assistance in transportation costs, special customs concessions and accommodations. The national airlines of the United Kingdom,

205/ The Nation (New York), 28 July, 4 August 1979.

206/ Rand Daily Mail (Johannesburg) 13 August 1979; To the Point (Johannesburg) 1 June 1979.

207/ In 1979, the trend reversed again with the increase of immigrants from Rhodesia.

208/ Unless otherwise noted, data is obtained from: South African Bureau of National and International Communication, South Africa 1978: Official Yearbook of the Republic of South Africa, Pretoria, 1978.

France, Belgium, Switzerland, Austria, Greece, and Portugal are party to an agreement with South African Airways whereby immigrants are granted a special tariff for the flight to South Africa.

188. The number of immigrants to South Africa has traditionally outstripped the number of emigrants. However, in 1978, growing political and economic uncertainty in South Africa resulted in 20,686 emigrants and only 18,699 immigrants, the lowest number since 1961. Almost half of those immigrants were from Rhodesia. 209/ South Africa experienced a net population loss of 2,017, up from the previous year's loss of 1,178 (see table 8). Immigrants from Great Britain accounted for the sharpest decline: 4,550 in 1978 as opposed to over 7,000 in 1977. Immigrants from Australia and the Federal Republic of Germany declined 59 per cent and 40 per cent respectively, with the only increase coming from Rhodesia with a small 7 per cent rise in immigrants (see table 9). As indicated in table 10, most immigrants are employed in professional, manufacturing and construction, clerical, and managerial and administrative categories. Their contribution to the growth of the apartheid economy has therefore been of considerable importance.

Table 8

Number of immigrants and emigrants

	<u>Immigrants</u>	<u>Emigrants</u>	<u>Gain/Loss</u>
1975	50,464	10,255	+40,209
1976	46,239	15,641	+30,598
1977	24,820	26,000	- 1,178
1978	18,669	20,686	- 2,017

Source: Department of Statistics, Pretoria.

Table 9

Origin of immigrants

Period	Total	<u>Origin of immigrants</u>					
		Africa	United Kingdom	The Netherlands	Federal Republic of Germany	The rest of Europe	The rest of the world
1974	35,847	8,418	17,380	776	2,199	4,684	2,390
Percentages .	100	23.5	48.5	2.2	6.1	13.1	6.6
1975	50,337	13,249	25,387	800	2,855	5,170	2,876
Percentages .	100	26.3	50.3	1.6	5.8	10.3	5.7
1976	46,071	15,359	21,090	663	1,759	4,216	2,984
Percentages .	100	33.3	45.8	1.4	3.9	9.1	6.5
1977	24,724	12,666	7,293	240	684	2,344	1,497
Percentages .	100	51.2	29.5	1.0	2.8	9.5	6.0

Source: Department of Statistics, Pretoria.

209/ Financial Mail (Johannesburg), 23 March 1978.

Table 10

Occupations of immigrants and emigrants (1977)

Occupations	Immigrants	Emigrants	Gain/Loss
Professional	3,119	3,625	-507
Managerial and administrative . . .	870	794	+ 76
Clerical	1,948	1,548	+300
Sales and related workers	650	531	+119
Agricultural	198	57	+131
Manufacturing and construction . . .	2,432	2,661	-229
Service workers	380	359	+ 21
<hr/>			
Total economically active	9,597	9,686	- 89
Total not economically active . . .	15,127	15,833	-706
<hr/>			
TOTAL	24,724	25,519	-795

Source: Department of Statistics, Pretoria.

E. Cultural, educational, sporting and other collaboration with South Africa

189. Cultural, educational, sporting and other types of humanitarian exchanges are an extremely important means by which the South African régime tries to gain acceptability and legitimacy in the international community. However, because most cultural and educational exchanges take place outside the purview of the Governments of the countries concerned, there is little systematic information available concerning the implementation of the General Assembly resolutions on this issue.

190. The strong anti-apartheid stance of Equity, the British actors' union, deters its members from performing in South Africa and precludes the distribution in South Africa of television and commercial films employing Equity actors. The régime remains successful, however, in attracting many other artists in the literary, visual, and performing arts, as well as scholars and other skilled persons. The racist policies of the apartheid régime do not deter artists and visitors of all races who are often concerned more with the high fees offered them than with the injustices of the apartheid system. Most of these artists come from the United States, the United Kingdom and Israel. These visits serve as a critical psychological and educational buffer against the growing international isolation of South Africa.

Sports

191. Because of the international nature of sports organizations, information is more readily available on the subject of the sports boycott of South Africa. The first attempts by national sports bodies to organize a boycott of South Africa in international sport go back to the 1950s when, for example, the Union of Soviet Socialist Republics raised the question of South Africa's participation in the International Olympic Committee in 1958. South Africa was barred from participating in the Olympic Games in 1964 and 1968.

192. In its resolution 2396 (XXIII) of 2 December 1968, the General Assembly requested all States to suspend sporting exchanges with South Africa. The movement to ban South Africa's all-white teams from international sport was greatly aided by this, and South Africa was excluded from the Olympic movement in 1970. South Africa has subsequently been expelled or suspended from a number of international sports federations and because of pressures from African, Asian and Socialist countries, it is barred from nearly all the major world championships. 210/

193. The importance which African and other third world nations place on isolating South Africa from participation in international sporting events was demonstrated by a widespread boycott of the 1976 Olympic Games by many of these countries. In the summer of 1976, the New Zealand Rugby Union sent its representative team on a tour to South Africa. Although the newly-elected Government of New Zealand reaffirmed its opposition to apartheid, it stated a policy of non-interference in the affairs of sports bodies and therefore did not attempt to stop the rugby tour. This position indicated a reversal of a three-year old policy under the previous government of banning all sports contacts with South Africa. In protest of New Zealand's presence at the 1976 Olympics, 19 African nations, as well as Guyana and Iraq, withdrew from the Games. 211/

194. The General Assembly adopted resolution 31/6 F on 9 November 1976, establishing the Ad Hoc Committee on the Drafting of an International Convention against Apartheid in Sports. An International Declaration against Apartheid in Sports was drafted as an interim measure by the Ad Hoc Committee and adopted by the General Assembly on 14 December 1977 (resolution 32.105 M, annex). Since then, the Ad Hoc Committee has been drafting an international convention against apartheid in sports which will strengthen the campaign for the total isolation of South Africa in the field of sports. 212/

195. Faced by an African boycott of the Edmonton Commonwealth Games, the Heads of Government of the Commonwealth countries adopted the Gleneagles Agreement in June 1977 by which the Governments agreed to take part actively in banning bilateral sports contacts with South Africa. Of South Africa's major Commonwealth sports allies, Canada and Australia have, with few exceptions, effectively ended all bilateral sports contacts with South Africa by implementing effective sanctions. The United Kingdom and New Zealand have been less vigilant in enforcing the agreement and sports exchanges have continued, but to a lesser degree than before the Gleneagles Agreement.

210/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 2 (A/34/2), paras. 114-131 and 172-178.

11/ Ramsay, Sam, "Racial Discrimination in South African Sport" (Notes and Documents No. 8/80), April 1980).

11/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 36 (A/34/36).

196. In February 1978, the European Economic Community adopted a policy similar to the Gleneagles Agreement, officially discouraging sports contacts between member States and South Africa.

197. Since the 1976 Olympics, numerous Governments and sporting bodies have taken action against the participation of South African athletes and sports teams in international sports. In March 1978, the Foreign Ministers of the Nordic countries recommended that contacts with South Africa in the field of sport should be discontinued. Several Latin American nations have refused to grant visas to South African sportsmen. Several countries, however, have continued to maintain sports contacts with South African teams.

198. The South African Davis Cup tennis team was allowed to compete against the United States team in March 1978. Civil rights and anti-apartheid groups staged mass protests at the site of the matches in Nashville, Tennessee, where demonstrators outnumbered spectators by three to one. One month after the matches, South Africa was forced to withdraw from future Davis Cup and Federation Cup competitions. However, it is still a member of the International Tennis Federation even though it is unable to compete for team championships. 213/

199. In January 1979, Kallie Knoetze, a white South African who, while a member of the South Africa police, had shot and crippled a Soweto school child and was subsequently convicted of attempting to "defeat the ends of justice," came to the United States to box. Following protests by sports, anti-apartheid and civil rights organizations in the United States, Knoetze's work visa was revoked after only one fight. Knoetze then fought John Tate, a black American, in the bantustan of Bophuthatswana. This was promoted by Bob Arum, an American of Top Rank Inc., New York, as part of an elimination series for the World Boxing Association's heavyweight championship. It was telecast by the United States network, CBS-TV, whose commentator referred to the "independent African nation of Bophuthatswana". The so-called Bophuthatswana government issued a fifteen-cent postage stamp commemorating the fight. Although the American fighter won the match, the real victor was South Africa which gained favourable international publicity for its policies of apartheid sport and "independent" bantustans. 214/

200. The second elimination match, featuring Gerrie Coetzee, a white South African, against Leon Spinks, a black American, was held in Monte Carlo and televised by the National Broadcasting Company (NBC-TV) of the United States.

201. The most important fight to take place was between John Tate and Gerrie Coetzee in October 1979. What seemed at stake was far greater than the WBA heavyweight crown, for the fight was to be held in South Africa and broadcast internationally by NBC-TV. South Africa expected to win a major propaganda coup, but this was diminished by widespread protests in the United States and the condemnation of numerous organizations, including the Supreme Council for Sport in Africa, the United Nations Special Committee against Apartheid, and the African Boxing Union which stated that it would no longer recognize the WBA rating of African boxers because of the Association's ties with South Africa. 215/

213/ See Official Records of the General Assembly, Thirty-second Session, Supplement No. 22 (A/32/22), paras. 114-131.

214/ South African (New York), July-August 1979.

215/ Reuters, 4 October 1979.

202. While France has had frequent contacts with apartheid sports teams up to 1979, the French Government prevented a South African rugby tour in October 1979 by requiring tourist visas for the South African players just prior to the tour. 216/ The French Government was also responsible for stopping its golf team from visiting South Africa in April 1979.

203. During the last two years, several West European and a few South American countries have had sports links with South Africa. These sports contacts, besides delaying the demise of racist South African sport, are also helping the South African régime to propagate its sugar-coated apartheid policy internationally. Confusion has been created by the Israeli Olympic Committee, which reversed an earlier decision to break all sports ties with South Africa. Although the original break had been made so as not to jeopardize Israel's entry into the 1980 Olympics, the Israelis now say they will continue to compete against South African teams. 217/

204. Quite often South Africa teams either invite teams or enter countries clandestinely. The vigilance of the Special Committee against Apartheid and the Supreme Council for Sport in Africa has helped inform the respective Governments of these manoeuvres, and several Governments have taken actions against the South African teams and individuals concerned.

205. However, the South Africans, realizing the importance of sport as an international platform for their racist policies, are constantly initiating new manoeuvres to overcome the isolation. It was recently discovered that the South African Government had used and was using several front organizations to gain international sports respectability. Massive amounts of money, now known to have originated from the Government, have been spent in newspaper and advertisement campaigns trying to persuade people, especially in Great Britain and the United States, that sports in South Africa are integrated. The South Africa Council of Sport, the non-racial sport body in South Africa, has charged that the South African Ministry of Information spent over \$1 million to promote professional boxing through the Southern Sun Hotel Chain in South Africa. 218/ The series of high-level boxing matches mentioned above attests to the importance that this particular sport holds for the racist régime.

206. Major sporting events in which South Africans continue to compete include, inter alia, rugby, cricket, tennis, soccer and golf.

207. In 1979, South African Quagga Barbarian rugby team planned to tour Ireland and the United Kingdom. While the Government of Ireland banned the South African team from competing in Ireland, the Barbarians completed their tour in the United Kingdom albeit in the face of considerable public protest. This tour proved to be a major breakthrough for South African sports and paved the way for a reciprocal tour by the Lions rugby team in South Africa from May to July 1980. The tour was expected to bring in R 20 million to South Africa, R 1 million of which would go to the South African Rugby Board. 219/ The ninth general assembly of the Supreme

216/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 22 (A/34/22), para. 119.

217/ Ibid., Supplement No. 22A (A/34/22/Add.1), paras. 36-40.

218/ New York Times, 14 July 1979.

219/ Rand Daily Mail (Johannesburg), 22 March 1980.

Council for Sport in Africa decided to boycott sporting events involving the United Kingdom because of its sporting contacts with South Africa. 220/

208. The South African Springboks rugby team is now scheduled to visit New Zealand in 1981. Although the Government of France cancelled a similar tour by the Springboks to France in 1979, the New Zealand Government refuses to take a firm stance on the issue by denying visas to the South African athletes. Thus, a major campaign has been scheduled by the New Zealand organization, Halt All Racist Tours, to have the proposed tour called off. 221/

209. The United States continues to provide sporting opportunities for South African tennis players, both through competition and attendance at universities in the United States. 222/ South African players won four doubles championships at an international junior tennis tournament held in New York State in January 1980. 223/

210. The South African régime has proposed a series of three nation cricket tournaments, involving England, Australia, and South Africa to be held in South Africa this year. 224/ The South Africans are also hoping to stage a tour of the United Kingdom by a South African cricket team, which could be the first visit to England by such a team since 1965. 225/

211. South Africa continues to be active in golfing events although the Government of Greece prevented South African golfers from participating in the golf world cup tournament which took place in Athens in November 1979. South Africa will play in this year's World Amateur Golf Tournament (Eisenhower Cup) since the venue was changed to the United States. South Africa had been banned from the 1979 competitions held in Fiji and could not have been able to compete in the 1980 event had it been held in Brazil as originally planned. 226/ The South African golfer, Gary Player, recipient of the Verwoerd Award for extraordinary services rendered to the apartheid régime, was allowed to participate in a golf tournament in the Ivory Coast in March 1980. In one of many attempts to break through the international boycott of South Africa in sport, Player's services have been offered free of charge to all African countries. 227/

212. Thus it can be seen that although the majority of countries have joined together in the campaign to isolate South Africa from international sport, several Member States, most notably the United Kingdom, the United States and New Zealand,

220/ Agence France Presse, Yaoundé, 18 December 1979.

221/ Statement by Trevor Richard, Representative of the Halt All Racist Tours Movement, before the Special Committee against Apartheid, 28 March 1980.

222/ The Star (Johannesburg), 05 October 1979; Rand Daily Mail (Johannesburg), 27 December 1979; South African Digest (Pretoria), 11 January 1980.

223/ The Star (Johannesburg), 5 January 1980.

224/ The Observer (London), 19 August 1979.

225/ The Star, airmail weekly edition, (Johannesburg), 10 November 1979.

226/ "Isolate South Africa from all International Sport", statement by Mr. Sam Ramsamy, chairman SAM-ROC, London, before the United Nations Special Committee, 28 January 1980.

227/ Ibid.

continue to undermine this effort by permitting continued competition and contact with South African athletes and sports bodies. These and other nations should be encouraged to comply with the United Nations resolutions on sports and apartheid in order to fully implement this most effective measure to bring about an end to apartheid.

Tourism

213. The promotion of tourism in South Africa is an important task of the South African Government because of tourism's function as a propaganda tool and because of the valuable foreign exchange brought in by foreign tourists. In 1978, the number of foreign tourists visiting South Africa increased for the first time in three years. The 641,588 tourists in that year spent approximately R 330 million in foreign exchange. 228/ Official South African figures optimistically estimate that by 1980, South Africa will be visited by 1 million foreign tourists per annum. 229/

214. The South African Department of Tourism, (Satour), South African Airways, and tour operators have made a combined effort to attract foreign tourists to South Africa following the lull after events in Angola and Soweto in 1976. 230/ The United Kingdom still remains South Africa's biggest source of tourists, followed by the United States and the Federal Republic of Germany. However, tourism between South Africa and certain smaller countries has increased rapidly in recent years. South Africa is now Argentina's third most popular holiday destination. The South African consulate in Buenos Aires planned to issue 20,000 tourist visas in 1979: a 40 per cent increase over 1978. 231/

215. In May 1979, the South African régime announced plans to open a tourist office in Israel in view of the large increase in tourism between the two countries. South Africa would be the first country to open such an office in Israel. The number of tourists from Israel increased by about 200 a month in 1978 while more than 17,000 South Africans visited Israel in the same year. 232/

216. Table 11 details the total number of tourists to South Africa from 1973 to 1978 and the countries from which most of the tourists originate.

228/ Republic of South Africa, House of Assembly Debates, 2 to 6 April 1979.

229/ South Africa 1978: Official Yearbook of the Republic of South Africa, op. cit.

230/ Financial Mail (Johannesburg) 8 December 1978.

231/ Financial Mail (Johannesburg) 2 February 1979.

232/ South African Digest, (Pretoria) 15 December 1978.

Table 11

Foreign tourists visiting South Africa

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Argentina	1 748	2 727	3 405	1 533	6 173	13 997
Australia	20 609	17 871	20 654	16 674	11 123	12 282
Belgium	4 488	4 428	5 300	4 889	5 262	5 863
Canada	7 992	7 312	9 413	8 479	8 380	8 977
France	7 923	8 426	10 928	9 676	9 308	10 535
Germany, Federal Republic of	31 603	32 871	41 506	35 789	32 981	37 062
Israel	4 042	5 223	7 284	6 433	5 972	7 296
Italy	9 097	7 620	10 634	8 109	7 181	8 739
Netherlands	12 601	14 300	18 239	15 211	11 638	13 126
Portugal	8 517	11 352	12 295	9 982	5 445	6 677
Scandinavia	6 271	8 026	9 382	8 022	9 517	7 817
Switzerland	8 177	8 985	10 482	10 219	8 698	9 969
United Kingdom	99 476	104 656	140 324	123 268	97 465	108 476
United States	43 168	42 651	48 712	44 090	38 348	41 521
<u>Total</u>	610 170	608 425	730 368	638 479	589 025	641 588

Source: Ministry of Tourism, Republic of South Africa.

F. Humanitarian, educational and other assistance to the oppressed people of South Africa

217. The appeals by the General Assembly for humanitarian and educational assistance to the victims of apartheid and their families have met with extensive support in the international community. Aid for that purpose is channelled largely through the United Nations Trust Fund for South Africa and the United Nations Educational and Training Programme for Southern Africa.

218. The Trust Fund was established in pursuance of paragraph 2 of General Assembly resolution 2054 B (XX) of 15 December 1965. Voluntary contributions to the Fund are used, inter alia, for:

- (a) Legal assistance to persons persecuted under repressive and discriminatory legislation of South Africa;
- (b) Education of such persons and their dependants;
- (c) Relief for refugees from South Africa;
- (d) Relief and assistance to persons persecuted under repressive and discriminatory legislation in Namibia and Southern Rhodesia and to their families.

219. The United Nations Educational and Training Programme for Southern Africa was established by the General Assembly in its resolution 2349 (XXII) of 19 December 1967 and now grants scholarships to inhabitants of Namibia, South Africa, and Zimbabwe. A list of Governments which have made voluntary contributions to the Trust Fund and the Training Programme is included in tables 12, 13 and 14.

220. Further, in resolution 33/164 of 20 December 1978, the General Assembly, aware that the continued influx of South African student refugees fleeing from repressive policies continued to cause pressure on the available educational and other facilities in neighbouring countries offering asylum to those students, commended the Secretary-General and the United Nations High Commissioner for Refugees for their efforts to organize programmes of assistance to South African student refugees in the host countries. It noted with appreciation the continuing efforts of the Governments of Botswana, Lesotho, Swaziland, and Zambia to grant asylum and make available educational and other facilities to the student refugees (see A/34/345 for a review of these programmes). The resolution urged all States, United Nations agencies and intergovernmental and non-governmental organizations to contribute generously to assistance programmes for these student refugees.

221. Recognizing the legitimacy of the struggles for freedom and independence of the peoples of southern Africa, the General Assembly, in resolution 2054 A (XX) of 15 December 1965, declared its firm support of all those who are opposing the policies of apartheid and particularly those who are combating such policies in South Africa. In its resolution 34/93 I of 12 December 1979, the Assembly encouraged all States and bodies to take appropriate action to promote greater assistance to the oppressed people of South Africa and their national liberation movement. The latter resolution stressed the necessity of assisting the educational and self-help projects of the liberation movements recognized by the Organization of African Unity with particular attention to

meeting the needs of refugee women and children. Also in that resolution the Assembly decided to concretize its resolution 31/6 I of 9 November 1976 by authorizing adequate financial provision in the United Nations budget for the purpose of maintaining the offices in New York of the African National Congress of South Africa and the Pan Africanist Congress of Azania, the national liberation movements recognized by the Organization of African Unity.

Table 12

Contributions and pledges to the United Nations Trust Fund for South Africa made between 8 November 1979 and 30 September 1980

<u>Country</u>	<u>Contributions</u>	<u>Pledges</u>
	(in United States dollars)	
Australia	22,100	
Austria	38,500	
Barbados	500	
Belgium	32,000	
Brazil	10,000	
Canada	17,241	
China	30,000	
Cyprus	290	
Egypt	2,000	
Finland	91,575	
France	50,000	50,000
Germany, Federal Republic of	70,000	
Greece	4,000	1,000
Hungary	2,000	
Iceland	4,000	500
India	2,000	
Indonesia	2,500	
Ireland		26,483
Italy		15,000
Jamaica		1,246
Japan	20,000	20,000
Kuwait	1,000	
Liberia	1,000	
Malaysia	1,000	1,000
Netherlands	231,959	

Table 12 (continued)

<u>Country</u>	<u>Contributions</u> (in United States dollars)	<u>Pledges</u>
New Zealand	7,776	
Norway	325,336	
Pakistan	3,000	
Peru		1,000
Philippines		10,000
Senegal		1,000
Singapore		500
Sweden	466,200	
Syrian Arab Republic	1,000	1,000
Thailand	1,000	
Togo		230
Trinidad and Tobago	1,250	
Tunisia		1,349
Turkey		3,500
United States of America	600,000	
Venezuela	1,000	
Yugoslavia		2,000
Zambia	7,518	
Public donations	1,043	
<u>Total:</u>	<u>2,048,788</u>	<u>135,808</u>

222. The total income to the Trust Fund for South Africa since its inception (including interest up to the period ending 31 July 1980) is \$11,036,442.

Table 13

A. Contributions received by the United Nations Educational and Training Programme for Southern Africa between 2 November 1978 and 30 September 1980

<u>Country</u>	<u>(in United States dollars)</u>
Argentina	4,000
Australia	34,091
Austria	35,000
Barbados	500
Belgium	62,000
Brazil	5,000
Burma	1,000
Canada	252,101
Chile	1,000
Denmark	330,974
Finland	87,851
France	115,000
Germany, Federal Republic of	50,000
Ghana	1,740
India	2,000
Indonesia	2,500
Iran	5,000
Ireland	26,000
Italy	15,000
Liberia	1,000
Libyan Arab Jamahiriya	20,000
Malaysia	1,000
Mali	2,066
Netherlands	124,362
New Zealand	16,083
Nigeria	10,000
Norway	764,706
Papua New Guinea	200
Philippines	2,000
Sweden	250,114
Togo	436

Table 13 (continued)

<u>Country</u>	<u>(in United States dollars)</u>
Trinidad and Tobago	1,250
United Kingdom of Great Britain and Northern Ireland	222,750
United States of America	1,000,000
Venezuela	2,000
Yugoslavia	1,000
	<u>Total: \$3,449,724</u>

B. Outstanding pledges

Cyprus	533
Egypt	2,000
Italy	50
Japan	200,000
Kuwait	1,000
Libyan Arab Jamahiriya	15,000
Peru	1,000
Philippines	2,000
Senegal	5,000
Spain	10,000
Tunisia	539
Turkey	2,500
Yugoslavia	1,000
	<u>Total: \$242,422</u>

223. In addition to the voluntary cash contributions referred to above, the Programme has received offers of scholarships for training within the countries from the following 21 States:

Algeria
 Bulgaria
 Byelorussian Soviet Socialist Republic
 Canada
 Egypt
 German Democratic Republic
 Germany, Federal Republic of
 India
 Israel
 Jamaica

Lesotho
 Libyan Arab Jamahiriya
 Mauritius
 Nigeria
 Pakistan
 Qatar
 Romania
 Sudan
 Trinidad and Tobago
 Uganda
 Union of Soviet Socialist Republics

Source: United Nations Educational and Training Programme for Southern Africa, report of the Secretary-General (A/34/571).

Table 14

Contributions and pledges received by the United Nations Educational and Training Programme for Southern Africa between 22 October 1979 and 30 September 1980

(in United States dollars)

<u>Country</u>	<u>Contributions</u>	<u>Pledges</u>
Argentina	4,000	
Australia	33,150	
Austria	38,500	
Bahamas	500	
Barbados	500	
Belgium	31,000	
Brazil	5,000	
Burma	1,000	
Canada	258,621	
Chile	1,000	
Cyprus	581	533
Denmark	453,104	
Egypt	2,000	
Finland	91,575	
France	115,000	
Germany, Federal Republic of	70,000	
Ghana	1,740	
Greece	8,000	
India	2,000	
Indonesia	2,500	
Ireland		28,409
Italy		15,050
Japan	200,000	200,000

Table 14 (continued)

<u>Country</u>	<u>Contributions</u>	<u>Pledges</u>
Kenya	1,907	
Kuwait	1,000	
Libyan Arab Jamahiriya	15,000	
Malaysia	1,000	
Mali		2,439
Netherlands	125,960	
New Zealand	15,552	
Nigeria	10,000	
Norway	860,656	
Peru		1,000
Philippines		4,000
Saudi Arabia	30,000	
Senegal		5,000
Spain		20,000
Sweden	303,030	
Switzerland	21,084	
Togo		244
Trinidad and Tobago	1,250	
Tunisia		539
Turkey	2,500	1,000
United Kingdom of Great Britain and Northern Ireland		227,273
United States of America	1,000,000	
Venezuela	3,000	
Public donations	1,130	
<u>Total:</u>	<u>3,712,840</u>	<u>505,487</u>

G. Action taken with respect to political prisoners,
dissemination of information on apartheid, and
other matters

1. Political prisoners

224. The question of political prisoners in South Africa has long been of concern to the United Nations. In response to the Rivonia trial and the mass arrests, trials, and bannings of opponents of apartheid, in the early 1960s the General Assembly and the Security Council adopted numerous resolutions appealing to the

South African régime to end the arbitrary trials and to liberate all persons subjected to imprisonment and other restrictions for their opposition to apartheid. They requested States to exert all possible influence on the Government of South Africa to desist from its repressive policies. Many States responded with communications detailing action taken on the question of political prisoners and expressing support for the United Nations resolutions.

225. Since the mid-1970s, the situation of political prisoners has deteriorated as the apartheid régime stepped up its repressive measures against opponents of apartheid. The uprising and massacre in Soweto in 1976 were followed in 1977 by the massive banning of prominent organizations and individuals opposed to apartheid, and the death in detention of Steve Biko. Among the more publicized incidents relating to political prisoners in the past year were the arrest and conviction of the "Soweto Eleven" and the Pan Africanist Congress' freedom fighters, the "Bethal Eighteen". In April 1979, despite the appeals and demands by the Security Council, various Governments and organizations, and many prominent individuals, the racist apartheid régime carried out the execution of African National Congress (ANC) freedom fighter Solomon Mahlangu. On 15 November 1979, another ANC freedom fighter, James Daniel Mange, was sentenced to death and 11 of his colleagues were sentenced to long-term imprisonment, ranging from 14 to 19 years.

226. Following the elections in Zimbabwe in March 1980, a massive campaign began in South Africa seeking the unconditional release of ANC leader, Nelson Mandela, from imprisonment on Robben Island. Over 53,000 signatures were obtained in the first two months of the nationwide "Free Mandela" petition campaign, and South Africans representing the full range of the political spectrum are presently uniting behind the call for Mandela's release. The campaign is seen as the last possible opportunity for the South African authorities to demonstrate their willingness to bring about real and peaceful change in South Africa by negotiating with the true representatives of the black South African people.

227. In resolution 33/183 F, the General Assembly reiterated its demand for an end to the repression under apartheid and a release of all political prisoners in South Africa. The Security Council, in resolution 417 (1977) of 31 October 1977, called upon all Governments and organizations to contribute generously for assistance to the victims of violence and repression, including educational assistance to student refugees from South Africa.

228. The General Assembly, in its resolution 34/93 H of 12 December 1979, declared, inter alia, that freedom fighters captured during the struggle for liberation must be entitled to prisoner-of-war status and treatment in accordance with Geneva Conventions. It also encouraged the International Committee of the Red Cross and other appropriate bodies to obtain access to visit political prisoners and detainees in South Africa.

2. Dissemination of information on apartheid

229. The dissemination of information on the situation in apartheid South Africa is a critical function of anti-apartheid work. To this end, the United Nations Special Committee against Apartheid, in co-operation with the United Nations Centre against Apartheid, the Department of Public Information, and numerous non-governmental organizations is active in producing and distributing information on apartheid. In addition to literature, particular emphasis has been placed on audio-visual and visual arts materials.

230. Specialized agencies, particularly the United Nations Educational, Scientific and Cultural Organization, the Food and Agriculture Organization of the United Nations, the International Labour Organisation and the World Health Organization have co-operated extensively with the United Nations in the dissemination of information on apartheid.

231. In its resolution 34/93 J of 12 December 1979, the General Assembly, inter alia, calls for the issuance of postage stamps against apartheid by the United Nations and Member States, and the provision to the national liberation movements of appropriate funds and facilities to conduct studies, research and broadcasts to counter the racist régime's propaganda.

232. Recognizing the vital role of the mass media in informing world opinion of the evils of apartheid and the legitimate struggle of the oppressed people of South Africa for freedom, self-determination and racial equality, the General Assembly, in resolution 34/93 L, urged all States, intergovernmental and non-governmental organizations to utilize the mass media most effectively for mobilizing world public opinion with a view to eliminating the system of apartheid.

233. The Governments of the German Democratic Republic, India, and the Philippines co-operated with the Centre against Apartheid in the production of publications, as did non-governmental organizations including the World Peace Council, the International University Exchange Fund, the Afro-Asian People's Solidarity Organization, and the International Defence and Aid Fund for Southern Africa. Numerous church, trade union, student, and anti-apartheid organizations throughout the world are actively involved in producing and disseminating information about the repressive apartheid régime.

234. In accordance with the request contained in paragraph 4 of General Assembly resolution 32/105 H of 14 December 1977, the United Nations produces and distributes broadcasts to southern Africa.

235. The United Nations Trust Fund for Publicity against Apartheid was established in pursuance of General Assembly resolution 3151 C (XXVIII) of 14 December 1973 to reinforce the publicity against apartheid. A list of Governments which have contributed or made pledges to the Fund follows.

Table 15

Voluntary contributions to the Trust Fund for Publicity against
Apartheid since its establishment in January 1975

<u>Country</u>	<u>Contributions and pledges</u> (in United States dollars)
Algeria	2,000
Austria	15,500
Bahamas	500
Barbados	500
Belgium	42,698

Table 15 (continued)

<u>Country</u>	<u>Contributions and pledges</u> (in United States dollars)
Benin	227
Brazil	50,000
Cyprus	743
Egypt	4,000
Ethiopia	5,000
Finland	45,779
Ghana	2,610
Greece	5,500
Guinea	500
India	3,000
Ireland	2,080
Japan	50,000
Kuwait	20,000
Libyan Arab Jamahiriya	35,000
Malaysia	1,500
Mali	2,439
Mauritania	912
Mauritius	2,000
New Zealand	6,500
Niger	501
Nigeria	20,000
Norway	210,000
Papua New Guinea	200
Philippines	1,500
Saudi Arabia	10,000
Sudan	500
Syrian Arab Republic	7,000
Sweden	22,738
Togo	436
Trinidad and Tobago	4,500
Tunisia	9,865
Turkey	1,000

Table 15 (continued)

<u>Country</u>	<u>Contributions and pledges</u> (in United States dollars)
Uganda	1,351
United Arab Emirates	4,000
Venezuela	3,000
Zambia	3,120

Source: Report of the Special Committee against Apartheid, A/34/22, updated.

H. Relations with bantustans

236. South Africa began the implementation of another phase of its separate development policy with the granting of so-called "independence" to the tribally designated homeland of the Transkei in October 1976. Since then, two more bantustans have been declared "independent": Bophuthatswana in 1977 and, most recently, Venda in September 1979. South Africa is the only country in the world which recognizes these bantustans and the practice of relegating the African majority to 13 per cent of the country's most arid land has received world-wide condemnation. The General Assembly, in its resolution 31/6 A of 26 October 1976, called upon all Governments to deny any form of recognition to the bantustans and to take effective measures to prohibit all individuals, corporations and other institutions under their jurisdiction from having any dealing with them. This appeal was most recently reiterated in Assembly resolution 34/93 G of 12 December 1979 in which the Assembly denounced the declaration of the so-called "independence" of the Transkei, Bophuthatswana and Venda and any other bantustans which might be created by the racist régime of South Africa.

237. Despite the unanimous rejection of a policy designed to divide the African people artificially and deprive them of their land rights, some foreign private interests have joined with the South African régime in exploiting the cheap labour pools created by the bantustans. Several South African parastatal bodies, including the Corporation for Economic Development, the Xhosa Development Corporation and the Bantu Mining Corporation, have been established to promote investment opportunities in the bantustans for South African and overseas corporations. The South African parastatal, Industrial Development Corporation, whose function is to decentralize industry in South Africa, specializes in attracting foreign investment in the border industries surrounding the bantustans.

238. Banks from France, Switzerland, the United Kingdom, United States and the Federal Republic of Germany have loaned millions of dollars to these corporations and bantustans in the past five years. 233/ Barclays and Standard Banks both

233/ Corporate Data Exchange, Bank Loans to South Africa, 1972-1978, United Nations Centre against Apartheid, Notes and Documents No. 5/79, May 1979.

maintain offices within the bantustans. 234/ The Transkei, Bophuthatswana and the Corporation for Economic Development were reported to be looking for loans totalling R 62 million, by June 1980. 235/

239. Numerous multinational corporations have investments either within the confines or along the borders of the bantustans. Drawn by special tax benefits, credit offers, and low investment costs, the main attraction of the bantustans remains the vast pool of cheap human labour. By late 1977, nearly 40 per cent of all private capital invested in the "homelands" came from overseas sources. 236/ The 35 foreign factories which have been established in or near the bantustans include East Asiatic Company (Denmark), Peugeot Cycles South Africa (France), General Electric South Africa (United States), Maschinenfabrik Bernard Braun (Federal Republic of Germany), as well as a \$13 million Australian-South African foundry, a West German-South African lawnmower factory, and a Dutch-owned chemicals factory. British and Italian companies are also investing in the bantustans. 237/ Most recently, the Intermagnetic Corporation of America invested R 1 million in a cassette magnetic tape factory in the Transkei. 238/ More than 20 international law and economic experts from Switzerland, Sweden, Britain, Israel, Austria and the United States consulted with the Transkei "government" on the question of economic development and international recognition of the bantustan. 239/

240. Bophuthatswana's "Chief Minister" was received by the United Kingdom Foreign Office in London in October 1977, and an Austrian government official visited the Transkei in the following year. 240/

241. Bophuthatswana was admitted as a member of the International Permanent Meat Office which is based in Spain. 241/ In 1979, the Columbia Broadcasting System (CBS) (United States) televised a boxing match held in Bophuthatswana between a white South African, Kallie Knoetze, and a black American, John Tate.

234/ Rodney Stares, British Banks and South Africa, Christian Concern for Southern Africa, 1979.

235/ Rand Daily Mail (Johannesburg), 27 July 1979.

236/ Star (Johannesburg), 17 September 1977.

237/ Star (Johannesburg), 17 September 1977, 3 October 1977; African Report (New York), July-August 1977; Corporation for Economic Development, advertising supplement in Business Week (New York), 1 October 1979.

238/ The Citizen (Pretoria), 7 August 1979.

239/ Rand Daily Mail (Johannesburg), 7 January 1979.

240/ Anti-Apartheid News (London), December 1977; Star (Johannesburg), 29 July 1978.

241/ South African Digest (Pretoria), 20 October 1978.

III. IMPLEMENTATION BY INTERGOVERNMENTAL ORGANIZATIONS

242. The General Assembly has repeatedly called upon intergovernmental organizations to assist in the effective implementation of United Nations resolutions against apartheid. These resolutions include, inter alia, requests for appropriate contributions to trust funds for refugees, students, and political prisoners; all possible assistance to the oppressed people of South Africa and their national liberation movement; dissemination of information on apartheid and full co-operation in the international mobilization against apartheid; and compliance with resolutions aimed at terminating all types of economic, nuclear, military and diplomatic relations with the racist régime of South Africa.

243. Many intergovernmental organizations have taken action to implement these resolutions. Organizations including the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO), the Office of the United Nations High Commissioner for Refugees (UNHCR), and the United Nations Development Programme (UNDP) have provided assistance to refugees from South Africa in the preparation and execution of projects beneficial to those refugees and have worked actively with the South African liberation movements as the recognized representatives of the South African people. 242/

244. The Organization of African Unity (OAU) has actively supported the liberation movements of South Africa, and member States of the OAU have rigorously implemented United Nations and OAU resolutions regarding assistance to the oppressed people and freedom fighters of South Africa, as well as isolation of the racist régime.

245. The racist régime has withdrawn or been expelled from intergovernmental organizations such as UNESCO, ILO, and FAO. The objections of Member States to the racist policies of the apartheid régime culminated in the expulsion of the delegation of South Africa from the twenty-ninth session of the General Assembly in November 1974. South Africa has not participated in Assembly proceedings since that time. Protests by African members of the International Atomic Energy Agency (IAEA) led to the replacement of South Africa with Egypt as a designated member of the Board of Governors of that body in 1977. Most recently, South Africa was barred from participating in the twenty-third regular session of the IAEA General Conference held in New Delhi in December 1979.

246. None the less, South Africa's continuing membership in many intergovernmental organizations gives the apartheid régime access to invaluable information, contacts, and opportunities on an international scale. Since the unseating of

242/ See the report of the Secretary-General on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations (A/33/109 and Add.1-4).

South Africa from the Board of Governors of the IAEA, the régime has joined the International Nuclear Fuel Cycle Evaluation (INFCE), and a member of the South African Atomic Energy Board has been invited to join the International Commission of Radiological Protection. 243/

247. The International Monetary Fund (IMF) granted \$366 million in aid to South Africa in 1976 and increased that amount to \$464 million by December 1977. The funds were allocated to cover South Africa's balance-of-payments deficit, which was largely a result of South Africa's growing defence budget. The \$464 million loan was greater than the amount granted by the IMF in 1976 and 1977 to all the rest of the African countries combined, and was roughly equivalent to the increase in defence spending in South Africa in those years. Another \$547 million from IMF supplementary financing facility was made available to Pretoria in 1978. The loans were all approved despite General Assembly resolution 31/6 H, in which the Assembly requested the IMF "to refrain forthwith from extending credits to South Africa". 244/

248. The International Bank for Reconstruction and Development (IBRD) or World Bank has made 11 loans, totalling \$241.8 million to South Africa from 1948 through 1967. Of this total, \$147.8 million represented South African borrowings for transportation projects, and the remaining \$94 million were loans for the power sector. 245/

243/ See S/AC.20/SR.15, 17 April 1980.

244/ See James Morrell and David Gisselquist, "How the IMF Slipped \$464 Million to South Africa", Center for International Policy (Washington), January 1978.

245/ World Bank Operations, Sectoral Programs and Policies, International Bank for Reconstruction and Development, 1972.

IV. CONCLUSIONS AND RECOMMENDATIONS

249. Many States have implemented United Nations resolutions on apartheid, particularly those concerning investment, diplomatic and military relations, trade and oil, and sports. Included among the notable actions recently taken by Member States are the termination of oil shipments from Iran to South Africa, the passage of Swedish legislation prohibiting new investments in South Africa, and the breaking of banking relations between the Nigerian Government and Barclays Bank of Nigeria, because of the Bank's extensive involvement in South Africa.

250. Many intergovernmental organizations have acted in compliance with appropriate United Nations resolutions, providing assistance to the victims of apartheid, disseminating information, and terminating relations with the régime. South Africa has been expelled or prohibited from participating in numerous intergovernmental organizations and, most recently, the Organization of African Unity called for a mandatory oil embargo on South Africa to help ensure that apartheid will not roll on into the twenty-first century.

251. Non-governmental organizations have joined the international anti-apartheid movement in ever increasing numbers in recent years particularly following the 1976 Soweto uprisings. Church, student, trade union, and other activist organizations in many countries have been extremely effective in disseminating information about apartheid and acting to challenge the continued collaboration with the apartheid régime.

252. The real threat which these international anti-apartheid efforts pose to South Africa is best perceived in the régime's intensified campaign to promote the policies of apartheid on a world-wide scale, taking recourse to whatever means possible. The recently exposed illegal activities of South Africa's Information Ministry are only one facet of the vast propaganda campaign being waged by the apartheid régime. However, the growing international awareness and abhorrence of apartheid have also resulted in increased secrecy on the part of multinational corporations and banks, as well as Governments and individuals, when conducting relations with South Africa.

253. It is clear from information contained in this report that, despite numerous and far reaching United Nations resolutions on apartheid, some Member States have maintained and even increased their political, military, economic, and other relations with South Africa. This continuation of external commitment to South Africa has been instrumental to the survival of the inhumane policies of apartheid. Indeed, it must be said that South Africa's present state of industrial, military, economic, and nuclear strength could never have been achieved without the extensive assistance provided by a few key industrialized nations.

254. South Africa's criminal system of apartheid has long been the focus of international debate and condemnation. Since its inception, the United Nations has appealed to the South Africa régime to bring about an end to its system of institutionalized racial segregation and oppression. However, South Africa has consistently proven itself impervious to reason and, in direct defiance of world opinion, has increased the level of repression and suffering of the vast majority of people within the country.

255. South Africa's military capability has increased steadily over the years so that, today, South Africa's defence system is the largest and most sophisticated in sub-Saharan Africa. The régime may have already crossed the threshold of nuclear weapons production capability, making it the sole nuclear Power on the African continent. South Africa's weapons arsenal, which has long been used against those struggling for freedom within the country, is also being deployed in military ventures in Namibia and Angola. So extensive has been the investment in domestic arms production that South Africa is now a significant exporter of military armaments.

256. South Africa, as a growing military Power outside the purview of world censure, poses a grave threat to world peace and security. Recognizing this, the General Assembly has long called for an end to all types of relations with South Africa and yet, as this report demonstrates, large-scale collaboration with South Africa, in violation of Assembly resolutions, continues. It is increasingly obvious that all relations with South Africa serve to fortify a military State whose existence is antagonistic to the very principles on which the United Nations is founded. Oil, for example, is regarded as a munitions of war by the South African régime, and yet international trade, investment, financing, and technological transfers in the realm of oil continue uninterrupted. The inherently military nature of these relations must be recognized so as to prohibit these relations. Similarly, the Special Committee against Apartheid has long denied the qualitative distinction between "peaceful" and "military" nuclear collaboration, and yet "peaceful" nuclear exchanges continue to take place thereby contributing to South Africa's nuclear militarization. Innumerable "civilian" items which are not currently included under the terms of the mandatory embargo on arms to South Africa continue to be exported for use by the South African defence and military forces. And the effective deployment of South African military and defence forces is dependent on extensive foreign investment in corollary industries including, inter alia, chemicals, steel, computers, electronics, and motor vehicles.

257. It is no longer possible to ignore the mounting evidence of South Africa's growing militarism and its consequent threat to world peace and security. The intransigence of the apartheid régime has created an explosive situation in South Africa, the ramifications of which are felt world wide. Continuation of the policies of apartheid can only lead to a further deterioration of the situation, and a rapid escalation of the threat to world peace. It is necessary, at this juncture, for the forces opposed to apartheid to increase their vigilance and resources, to strengthen the legal measures against collaboration with South Africa and to fortify their commitment to the elimination of the racist system of apartheid in South Africa.

258. It is with full awareness of the urgency of the situation in South Africa that the following recommendations are made.

259. The Sub-Committee recommends that the Special Committee against Apartheid should continue, as a matter of priority, to monitor the implementation of, and compliance with, United Nations resolutions against apartheid through, inter alia:

(a) Participation in and sponsorship of conferences and seminars concerned with action against apartheid;

(b) Consultation with representatives of the South African liberation movements recognized by the Organization of African Unity, as well as experts and organizations active in opposition to apartheid;

(c) Commissioning of expert studies and production of reports on all aspects of apartheid and the implications of relevant United Nations resolutions;

(d) Strengthening the existing facilities and resources within the Centre against Apartheid necessary to monitor the implementation of relevant United Nations resolutions against apartheid.

260. The Sub-Committee calls upon the General Assembly:

(a) To emphasize further the need of Member States to adopt legislation and take appropriate measures effectively to terminate all forms of collaboration with the racist apartheid régime;

(b) Strongly to urge the international community, including Member States, intergovernmental and non-governmental organizations, to continue and intensify the campaign to isolate South Africa from economic, political, military, nuclear, and sports and cultural contacts;

(c) To appeal to all States, as well as intergovernmental and non-governmental organizations, to expand their humanitarian, educational, economic and other forms of assistance to the oppressed people of South Africa and to their national liberation movement;

(d) To declare its firm support for the armed struggle of the national liberation movement of South Africa in its quest for the liberation of the people of South Africa from the oppression of apartheid;

(e) To request the Security Council, acting under Chapter VII of the Charter of the United Nations, to impose immediate and total mandatory sanctions on South Africa so as to isolate the apartheid régime from all forms of contact with the international community.

