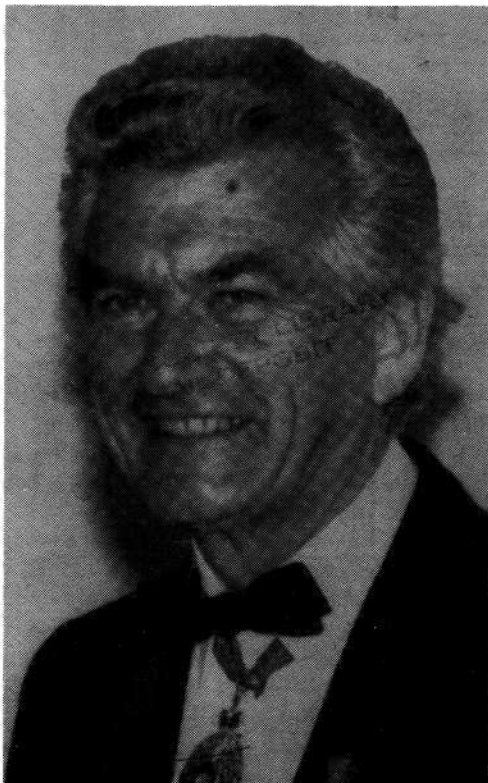


RECENT DEVELOPMENTS IN AUSTRALIA'S SOUTH AFRICAN POLICY

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Bob Hawke (picture by the Natal Witness)

This paper traces the development of the Hawke government's policy on South Africa, and especially its policy responses to the events of 1985. The underlying theme is that Australian policy is built upon a contradiction, with moral and humanitarian considerations generally pulling one way and pragmatic economic considerations another. More precisely, the rhetoric condemnation of apartheid which has marked Australian policy since Prime Minister Whitlam's time coexists with Australian economic involvement in the apartheid system, and with a declared policy of opposition to unilateral Australian economic boycotts or sanctions directed against South Africa.

The extent to which the contradiction emerges into overt politics depends, of course, on the issue of the moment. One month before taking office, Mr Hawke showed him-

self well aware of the problem. "I think there are inconsistencies and hypocrisies in regard to the things we do in regard to South Africa. One of the early things I'll be doing is to have discussions with my relevant ministers as to how we would render Australia's position consistent." (*The Age*, 9 February 1983).

During the government's 1983-4 term in office, however, only a few minor adjustments to policy were made. SAA flights into Australia were reduced from two to one per week and the policy on sporting contacts was marginally tightened. The A.N.C. and SWAPO were permitted to establish offices in Australia. A programme of visits by prominent anti-apartheid South Africans was inaugurated, bringing Bishop Desmond Tutu, Allan Boesak and Breyten Breytenbach, among others, to Australia. And it was announced that South African officials would be allowed to visit Australia only on condition that they made no attempt to promote the apartheid doctrine.

These changes served to advertise the government's general attitude, but could hardly be regarded as stepping up pressure on South Africa to pursue the internal reforms which the Australian government wished to see. In particular, the basic issues of trade and investment relations were left untouched. Probably the government's reluctance to take wider initiatives simply reflected the fact that South Africa was not a prominent issue in this period: in other words, the Hawke government felt no great impulsion to become embroiled in a difficult policy area when it was not being strongly pressed — either by events or by interested parties — to do so.

SALIENT ISSUE

In 1985, however, the South African issue became much more salient in ways that brought out sharply the underlying tension within Australian policy. We will look in turn at the two most discussed and most controversial aspects of Australia's South African relationships, sporting ties and economic ties.

In April 1985, it was announced that a rebel Australian cricket team had been contracted to play in South Africa during the next two summers. While the government had no statutory power to prevent the team from leaving

Australia to play wherever it wished, it could and did invoke the Gleneagles Agreement and sought to dissuade the players. But Mr Hawke's somewhat personalised handling of the dispute had the effect of making the rights of Australian sportsmen appear to be the issue, rather than the character of the apartheid system. A TV telephone poll in Melbourne on 20 May produced 40 880 votes for Kim Hughes and 6 840 for the Prime Minister. In June, an opinion survey found that 69 per cent of the electorate supported the cricketers. Although feelings ran ever higher among the tours' opponents as the South African domestic crisis deepened and the numbers of Africans killed or detained kept growing, it seemed that for the Australian majority, apartheid and cricket – or more broadly, politics and sport – were still separate issues. In August, however, a Morgan Gallup Poll showed that public support for the tours had fallen to 58 per cent. What produced this fall? It seems very likely that the heavy media coverage of the deteriorating situation in South Africa was a major factor.

The government's high profile on the cricket issue helped bring the problems of Australian policy very much into view. Repeatedly the point was made that the government was applying double standards: why should opposition to apartheid be used as the reason for trying to prevent a few sportsmen from earning an income when it was not being used to prevent Australian firms from earning income through trade and investment? It appeared that the sportsmen were being made to carry the moral burden of the government's policy.

It was in fact standing policy to do nothing to promote trade with South Africa (The Whitlam government had closed one of Australia's two Trade Commissions there), and the Australian government would not sell government-made goods, such as aircraft, to the Republic. Much the same applied to investment. The government would not do anything to prevent the placement of private investments from either country in the other, but neither would it do anything to facilitate it. Further, all Australian governments since Whitlam's had declared their support for the principle of international economic sanctions, in which Australia would willingly join if South Africa's major trading partners gave a lead.

At the same time, both labour and non-labour governments argued that disapproval of another country's domestic political arrangements did not provide sufficient grounds for a unilateral suspension of economic (or for that matter, diplomatic) relations. This argument applied equally to South Africa and, say, the Soviet Union. With reference to South Africa specifically, there was an additional standard argument about the difference between sports bans and trade bans: namely, that they differed significantly in their potential effects on South Africa. Because South Africa and Australia played so many of the same games, sporting boycotts could have a real effect on pressuring South Africa towards change. But because South Africa's trade was worldwide and its economy was well equipped to embark upon import substitution in many areas, a unilateral trade boycott by Australia would have negligible effect. At the same time it could well be damaging to the Australian economy and cost Australian jobs. Since the government had a responsibility to protect Australia's economic interests, the maintenance of trade with countries such as South Africa was no mere cynical expediency.

CHANGING CIRCUMSTANCES

In allowing these economic relations to continue over the years, Australian governments have had nothing to fear from electoral opinion. Polls have regularly shown the majority of Australians in favour of trade links. In March 1983, for example, 65 per cent were in favour, while in June 1985 only 35 per cent favoured a trade ban. In the changing circumstances of 1985, however, it became clear that the government was feeling a renewed discomfort on the issue. There were several reasons for this. First, of course, there was the deepening crisis within South Africa itself. Second, during the cricket furore, charges of hypocrisy and double standards could not simply be argued away. Third, there were the overseas examples of moves to reduce economic ties with South Africa, especially the various disinvestment campaigns in the US and Europe. Fourth, there were embarrassing revelations of inconsistencies in the government's own dealings: it emerged, for example, that the Department of Trade had been authorising export incentives to Australian firms trading with South Africa, notwithstanding repeated requests from the Department of Foreign Affairs that it desist. Fifth, there were mounting pressures, if not from the electorate at large, then certainly from the government's own major support groups – the parliamentary back bench, Labor Party branches and the trade union movement.

At some point, probably in April, cabinet decided to begin toughening its policy on the economic links. Two initiatives ensued. Firstly, on 18 April the Foreign Minister, Mr Hayden, released a draft document, Australian Code of Conduct for Australian companies with interests in the Republic of South Africa. The proposed code would require Australian companies to provide standards for their black South African employees modelled on the provisions of the Sullivan, Canadian and E.E.C. Codes of Conduct, all of which had been in force for some years. Secondly, on 2 June Mr Hawke stated that the government would take a lead in organising an international campaign for mandatory economic sanctions against South Africa, both in the UN Security Council and at the Bahamas Commonwealth Heads of Government Meeting (CHOGM) in October.

The first of these moves brought protests from the Confederation of Australian Industry at the Business Council of Australia, which argued that doing business with South Africa was difficult enough without additional hindrances. On the government's other flank, there came arguments from anti-apartheid groups, trade union leaders and others that a voluntary and unenforceable code would have very little useful impact in South Africa anyway, and that the only effective course would be to disinvest altogether. Nevertheless the drafting proceeded, in consultation with both business and unions, and a Sullivan-style code was duly announced at the end of November.

The second initiative looked much more dramatic, a genuine departure from Australia's previous position that the lead on international sanctions would have to be taken by the major powers. During June, Australian officials began making approaches to other countries, especially those that would be meeting at CHOGM. In July, Australia, as a temporary member of the UN Security Council, voted in support of a Franco-Danish resolution providing for a range of voluntary commercial

embargoes against South Africa: this resolution was carried (with Britain and the US abstaining), and the Government immediately ordered its officials to report on what actions Australia could take to comply with it.

POLICY REVIEW

Early in August the Government recalled its Ambassador from South Africa, with the dual purpose of delivering a diplomatic rebuke to Pretoria (as the US and ten western European countries had by then done) and involving the Ambassador in the policy review process.

The way the government approached the review exercise was neatly encapsulated by Michelle Grattan of the **Melbourne Age**:

The Government's aim is to be in the forefront of international policy without getting shot in the back as part of the scouting party. While advocating mandatory sanctions, it is seeking, until such sanctions are adopted worldwide, ways of sending signals to the South Africans which do not carry too high a price at home. If possible, it would prefer to confine itself to government actions rather than imposing actions on the private sector. (**The Age**, 5 August 1985).

The outcome of these somewhat conflicting political imperatives was a series of decisions taken by Cabinet on 12 August. These were:

- (1) To close the remaining Trade Commission (this would be done in September):
- (2) To end trade insurance (through the Export Finance and Insurance Corporation) and export grants, but only for South African-owned companies:
- (3) To extend the existing government ban on construction contracts with majority South African-owned companies to all other industries:
- (4) To prohibit the import of Kruger rands:
- (5) To prohibit the export of petroleum to South Africa:
- (6) To ask Australian banks and other financial institutions voluntary to suspend making new loans, either directly or indirectly, to borrowers in South Africa:
- (7) To seek agreement at the Bahamas CHOGM and in the United Nations, for the establishment of two expert groups, one to study the possibilities of action for "peaceful transition" to a multi-racial society in South Africa, the other to look at ways of implementing and co-ordinating an international suspension of new investment in South Africa.

Clearly, the most difficult policy options, such as trade bans and disinvestment, remained where they had always been: in the too-hard basket. Yet it is fair to judge the August decisions as representing a quite distinct move away from the government's earlier stand-pat position on the economic links. That they could have rather more than token effects was illustrated in December when a major South African construction firm, LTA Ltd, announced that it would shortly withdraw from Australia

"because of political pressure and official decisions to ban the granting of contracts to South African companies". (**The Age**, 4 December 1985). The decisions should also be seen and assessed in a wider context, as steps in an incremental process that began in April 1985 and is still continuing. As Mr Hayden has pointed out, they leave room for further tightening: for example, the measures announced in the second decision could be extended to Australian-owned companies. By November, as we have noted, they had been supplemented by the finalisation of the business code of conduct.

NON-ECONOMIC

Another possibility now being actively considered by the government is the withdrawal of SAA's landing rights in Australia. Meanwhile, in the non-economic realm Mr Hawke's initiatives at the Bahamas CHOGM in October led to the establishment of the Commonwealth Committee of "Eminent Persons", charged with trying to promote dialogue between black and white leaders in South Africa. Mr Malcolm Fraser, fresh from chairing a UN Commission on a possible code for multinational investment in South Africa, was appointed Australia's representative on this committee, becoming its co-chairman. In all these ways, the Australian Government has been attempting to move in the direction of reconciling rhetoric with actual policy.

To comment further. The August review was intended by the government to establish the framework of Australian policy for some time to come. In practice the durability of any specific policy pattern cannot be predicted, since the future course of policy would be much influenced by factors outside the government's control. For one thing, the drama of South African history itself will continue to unfold and to require policy responses. Concrete evidence of real progress in South Africa, such as talks between the regime and representative black leaders, might induce foreign governments, including Australia's, to reduce their pressures: on the other hand, a continuing cycle of rebellion and repression would keep alive the question of whether policy should be further toughened. For another thing, other countries will continue to take initiatives which will require Australian decisions on whether to follow suit. If in fact international initiatives begin to peter out, as they have done more than once in the past, Australia's own international campaign could run down quite swiftly. But if they gain momentum, the tempo of Australian policy could accelerate as well. The government has, after all, frequently affirmed that Australia will join in any genuinely international endeavours to mount comprehensive sanctions.

Thus it would be a mistake for anyone, inside or outside Government, to regard Australian policy as settled, the August review notwithstanding. In particular: if the Government is serious about joining in international sanctions, then sooner or later it will have to make its contingency plans against the possibility that sanctions will come to be. When it does this, the policy options currently relegated to the too-hard basket will have to be taken out and examined once again. □