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SOUTH AFRICA ADVISORY COMMITTEE REPORT (PART ONE)
(Text: February 10 Report to Secretary of State)
(5,550)

FOREWORD

On September 9, 1985, President Reagan signed Executive Order No. 12532, which dealt with U.S. policy toward South Africa. One of the provisions of the Executive Order directed the Secretary of State to establish an Advisory Committee on South Africa. This committee was charged to examine and recommend to the Secretary of State what U.S. policy toward South Africa would most effectively influence peaceful change and promote equal rights in that country.

On December 19, 1985, Secretary Shultz announced the establishment of the Advisory Committee and introduced the 12 prominent Americans who were its members: Mr. Frank T. Cary and The Honorable William T. Coleman, Jr. (Co-Chairmen), The Honorable Griffin B. Bell, Mr. Owen F. Bieber, The Honorable John R. Dellenback, Ambassador Lawrence S. Eagleburger, Timothy S. Healy, S.J., Mr. Vernon E. Jordan, Jr., Ms. Helene L. Kaplan, Mr. Roger B. Smith, The Reverend Leon H. Sullivan, and Mr. Franklin A. Thomas. At the same time, he named Ambassador C. William Kontos as the Advisory Committee's Executive Director.

During 1986, the Advisory Committee held 14 meetings in Washington, where members conferred with senior government officials and a wide range of individuals from the private sector with expertise on South Africa. On June 2-3, 1986, at open hearings, the Advisory Committee heard testimony from Members of Congress, church leaders, and representatives of business, labor, and other fields.

Advisory Committee members traveled to South Africa individually or in small groups in 1986. There, they conferred with a broad spectrum of South Africans.

The Advisory Committee wishes to express its great appreciation for the help given by numerous South Africans and Americans who helped us understand and clarify the complexity of the South African situation.

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INTRODUCTION

The racial aspect of South Africa's existing political system repels most Americans; indeed, it repels all people who reject race as a criterion of human value. In South Africa, membership in a racial group determines conclusively a person's political, civil, economic, and social rights and liberties. Once classified by the white South African government as an African, Coloured, or Asian, a person is automatically relegated to an inferior social and political status with few of the rights and opportunities accorded whites. The current constitution of the Republic of South Africa excludes blacks from the national government and the national elective process, and gives the white-dominated government veto power. A complex web of laws and regulations creates myriad other distinctions among racial groups.

The ultimate issue in South Africa is how blacks, along with whites, can participate equally and meaningfully in the political system and in the economic, social, academic, and cultural life of that country, at both the local and national levels.

The Advisory Committee's mandate from the Secretary of State is to recommend guidelines for a U.S. policy toward South Africa that we believe is most likely to further the peaceful elimination of apartheid and the creation of a nonracial democratic political system. Since those in power in South Africa have often used arbitrary force, and since both sides resort to violence, it is unlikely that this goal will be accomplished in a peaceful manner.

Since the Advisory Committee's deliberations began, a number of significant events have occurred. Inside South Africa, government repression has intensified and a nationwide state of emergency has been put in place. Far-reaching media restrictions have been imposed. Thousands have been detained. A whole community in Cape Town was destroyed by black vigilantes acting with the apparent support of the police. In the region, we have observed the ouster of a government in Lesotho, South African raids into Botswana, Zambia, and Zimbabwe, and escalating fighting in Angola and Mozambique. A major diplomatic initiative by a Commonwealth Eminent Persons Group (EPG) briefly raised hopes that a ground for negotiations had been found. In our own country, the Congress has passed into law a sanctions package that places the United States out in front in the international effort to apply pressures for change in South Africa.

The Administration's strategy of constructive engagement has failed to achieve its objectives. Given the mandate of the American people for a stronger stance against apartheid, the interdependence of all of southern Africa, and the international importance of all of southern Africa, our most urgent concern has been to seek ways of helping to develop and implement a U.S. policy that will contribute to bringing about desired and necessary changes.

(Note: Vocabulary presents special problems in any study of South Africa. Under South African law, the word "African" is a racial classification that refers to any person "who is, or is generally accepted as, a member of any aboriginal race or tribe of Africa." "Coloured" is a racial classification denoting South Africans of mixed race, mainly African-European descent. The terms "Asian" and "Indian" are used interchangeably, although the "Coloured" category can also include people of Asian extraction. In this report, the term "blacks" is used as a collective noun that may include Africans, Coloureds, Indians, and other Asians in discussing anti-apartheid political developments. On the other hand, the terms "black" and "blacks" are used in the narrower sense of "African" in references to apartheid laws and practices.

PART I. FINDINGS AND RECOMMENDATIONS

The Nature of the Challenge

The time for easy and comfortable choices in South Africa has run out. "The choice," as the Rockefeller-supported Study Commission of U.S. Policy Toward Southern Africa foresaw in 1981, "is not between 'slow peaceful change' and 'quick violent change' but between a slow, uneven, sporadically violent evolutionary process and a slow but much more violent descent into civil war."

It is a misleading simplification to view the spiraling violence of 1985-86 as a confrontation between committed revolutionaries and a reactionary white monolith. The roots of the South African conflict are far deeper and more tangled. At the core of this conflict is a clash between the legitimate demands for justice and economic opportunity of a long-disenfranchised black majority and the fears of the ruling white minority that major concessions could be suicidal.

The continuing failure of the South African ruling group to take unambiguous action to end apartheid in the very near future and begin negotiations with black leaders to create a political system in which all South Africans, black and white, have a meaningful and significant role places the United States and other Western nations in an increasingly difficult position. In the absence of clear evidence that whites are prepared to accept fundamental changes far beyond the South African government's current limited program of white-initiated and white-managed "reform," internal unrest will escalate, and international pressure for disengagement and sanctions is likely to continue to grow.

As a nation with long-term interests in southern Africa and a fundamental commitment to the promotion of justice and democratic values, the United States cannot stand aside as a human tragedy of potentially immense proportions threatens to unfold in South Africa. The stakes are too high. At risk are the lives of thousands, possibly millions, of South Africans, black and white, the future political and economic viability of the entire southern third of the African continent, and history's judgment of the United States.

Any strategy for dealing with South Africa must be part of a broader regional strategy. Events in South Africa inevitably affect -- and are in turn affected by -- events elsewhere in southern Africa. Moreover, policy actions of the United States toward other nations of the region (for example, the 1986 decisions to provide military assistance to Jonas Savimbi's Uniao Nacional para a Independencia Total de Angola (UNITA) in Angola, to suspend aid to Zimbabwe, and to curtail pledged aid to Mozambique) inevitably affect U.S. credibility with South Africans.

Finally, the development of a coherent, sustainable bipartisan policy toward South Africa has been hampered by disagreements in the United States over strategy and tactics. The debate over sanctions should be considered resolved by the passage of the Comprehensive Anti-Apartheid Act of 1986. It is important to point out that the United States employs sanctions as a tool to effect changes in policy elsewhere in the world. U.S. Interests in South Africa

Aside from certain minerals categorized as critical or strategic, the immediate material interests of the United States in South Africa are relatively modest. Less than one percent of U.S. foreign trade and less than one percent of U.S. direct investment overseas is in South Africa.

The United States imports more than 50 percent of its needs for over two dozen minerals deemed of either "strategic" or "critical" importance to U.S. national defense. Three at the top of the list -- chromium, manganese, and platinum -- are obtained in large part from South Africa, and much of a fourth (cobalt) is exported from landlocked countries in the region through South Africa's transport system and ports.

Having viewed the strategic minerals issue through the prisms of the several competing schools of thought in the policy community, we are agreed that a minerals cutoff (either by counter-sanctions or by a breakdown of the South African economy and infrastructure) would have an undeniable impact on the United States. In some cases, we could be forced to increase imports from the Soviet Union. But we have concluded that the potential impact of such a denial is not sufficient cause to determine U.S. policy toward South Africa.

The United States has no specific stated military interests in South Africa. There is no U.S. military presence other than a small Defense Attache Office and the Marine guards customarily attached to our embassies worldwide. South Africa's position aside the sea-lanes around the Cape of Good Hope is frequently used as an argument in favor of South Africa's military importance, but the apparent consensus among U.S. defense planners is that these sea-lanes are under minimal threat and that the active collaboration of the South African government would not significantly increase our ability to protect them. It is important for our long-term strategic interests that South Africa not fall under the control of a government hostile to the United States or one allied with the USSR that might allow the establishment of a Soviet military presence.

In the short run, we do not believe that the escalating conflict in South Africa will precipitate a major confrontation with the Soviet Union. While Moscow is certain to continue its policy of

limited financial and military support for the African National Congress (and especially the South African Communist Party (SACP) component within the ANC), it shows no inclination to become directly involved. The Soviets do stand to gain considerably, however, if a protracted conflict in South Africa embitters that country's black majority against the West.

Moreover, Americans have a significant stake in South Africa because of the potentially serious domestic ramifications that a bitter and bloody race war there could have within the United States. A protracted armed conflict between whites and blacks could create racially divisive political tensions among Americans.

Our most fundamental interest in South Africa is to assist in ending a political and legal system in which over 80 percent of the population are denied basic individual political rights on the basis of race alone. Our history, values, and institutions identify Americans with people seeking political freedom and civil liberties throughout the world.

The Advisory Committee concludes that U.S. interests in South Africa will best be protected and preserved by actions that work for a more rapid, less violent end to apartheid. We strongly agree with Secretary Shultz that "we don't get anywhere with protecting those interests that we do have unless we are also clear in our minds about the morality of our stand." U.S. Hopes for a Post-Apartheid South Africa

We do not believe that the United States can or should dictate the form of government or type of economy to be adopted in a post-apartheid South Africa. The right of a free people to shape their own political and economic institutions has long been a touchstone of American foreign policy. If Americans are to expect South Africa's future leaders, black and white, to welcome our support and heed our counsel, ways must be found to reaffirm credibly the United States' commitment to this principle.

The Advisory Committee's judgment and belief, however, are that conditions conducive to lasting political stability and economic vitality are unlikely to emerge in South Africa until and unless the following objectives are achieved:

-- the abolition of apartheid and an end to legally enforced discrimination on the basis of race;

-- a nonracial, democratic political system that guarantees all South Africans national citizenship and equal individual political rights;

-- a constitutionally protected legal system that ensures due process of law and guarantees individual rights for all, including freedom of association, freedom of speech, freedom of the press, freedom of religion, the right to own property, and protection against expropriation without just compensation;

-- a growing economy that provides all South Africans with opportunities to realize the fruits of their labor and attain a decent standard of living for themselves and their families;

-- a political system that does not merely substitute black tyranny and domination for white tyranny and domination.

A U.S. policy that fails to work toward these ends cannot long command the support of the American people. South Africa's leaders, present and future, must understand that the United States will always find it difficult to maintain stable, productive relationships with governments that systematically repress legitimate political opposition and deny their citizens basic civil rights, civil liberties, and economic opportunities.

Americans sometimes look to our own civil rights experience as a means of gaining insight into the conflict in South Africa. One of the most important differences between the American and South African situations is that the conflict over civil rights in the United States took place within a constitutional framework entirely absent in South Africa. Extending civil rights to black Americans was a matter of enforcing and guaranteeing rights that were already entrenched in the U.S. constitution and observed in many areas. Given the racial composition in most parts of the United States, full application of civil rights laws did not involve any significant loss of power by a previously dominant group.

The United States does, nevertheless, provide a dramatic example of how a system in which some citizens are politically, socially, and economically discriminated against solely on account of race can be changed. Our recent history also illustrates that wide economic and educational disparities do not rule out change at a fairly steady pace. The most valuable lesson for South Africa in the American civil rights experience may be the fact that in many areas, particularly the South, the resolution of racial conflicts liberated the energies of both blacks and whites, allowing them to seek a new mutual prosperity.

Some Key Factors in the Shaping of Post-Apartheid South Africa

The tragic paradox of apartheid is that its core myth of an embattled people desparately seeking to survive in a hostile world prevents many whites from envisioning a secure future in a nonracial society. Deeply held racial stereotypes are now joined with an exaggerated perception of international communism's role in the struggle against apartheid. For this reason, one of the most important duties of Western policymakers is to present an accurate picture of the forces that will shape South Africa's future. There are causes for concern, but these must be assessed objectively and not allowed to overshadow many equally, if not more, compelling grounds for hope.

A first step to understanding the prospects for a resolution of the problem of apartheid in South Africa is to recognize that there are no historical analogies to developments in other African countries. Elsewhere in Africa, the extension of political rights to blacks came through decolonization. Except in Namibia, that process is now complete. In South Africa, decolonization occurred with the establishment of the Union of South Africa in 1910. Black leaders in South Africa do not contend that whites are "foreign" or "colonial," or that whites have another, more legitimate home to which they should return. The abolition of apartheid and its replacement by a democratic and nonracial system thus involve the

need for agreement among South Africans, not a decision to "withdraw" by any foreign power.

South Africa is a modern, semi-industrialized nation, with far more urbanized, educated, and professional blacks than any of the sub-Saharan colonial territories at the time they achieved independence. Blacks already comprise over 40 percent of the professional work force in South Africa. In 1984, more than 40,000 black students were enrolled in university courses in South Africa. Black workers are more organized than their counterparts on the rest of the continent. In 1986, there were 54 registered and 59 unregistered black trade unions with over a million members, including the some 600,000 affiliated with the Congress of South African Trade Unions (COSATU).

In contrast with much of the rest of Africa, traditional tribally-based institutions play a relatively minor role in South African society and politics. Even in the "homelands," political and military institutions are increasingly based on modern models. In the urban areas, where roughly 38 percent of South Africa's blacks now reside, there has been a steady proliferation of distinctly modern institutions such as civic associations, trade unions, student organizations, parents' crisis committees, the Black Lawyers' Association, and the National African Federated Chambers of Commerce (NAFCOC).

A beacon of hope in the darkening South African scene is the several examples of productive negotiations between black and white leaders in localized or functional areas. These include negotiations between the increasingly powerful black trade unions and corporations (especially in the mining industry), talks between black community leaders, white businessmen, and officials on local grievances and consumer boycotts, the recently-concluded "Indaba" in Natal aimed at creating a framework for a multiracial provincial legislature incorporating the province of Natal and the KwaZulu "homeland," and the National Education Crisis Committee conference of March 1986, where parents, students, teachers, political figures, and education officials negotiated productively on a range of controversial issues affecting school attendance. These efforts at localized and functional levels are not a substitute for the necessary and inevitable negotiations that must take place at the national level, but they provide valuable experience and establish positive precedents.

One of the most important potential forces for reconciliation across racial lines in a post-apartheid South Africa is religion. "Nowhere else," a leading South African journalist has written, "not even in Poland, is religion such a pervasively important factor in the politics of a nation." Over 90 percent of all whites and an estimated 75 percent of all blacks are church-going Christians. In addition, South Africa has a 125,000-member Jewish community with a strong liberal tradition and 318,000 Muslims who are generally moderate in political orientation. This breadth and depth of religious commitment could provide desperately-needed bridges across a growing chasm of fear, hatred, and violence.

Men and women of all faiths, and the Christian majority in particular, have a special responsibility to take the lead in pointing out the fundamental inconsistencies between apartheid and their religious principles, and in establishing a spirit of

repentance and reconciliation that will permit a vital society-wide process of healing to begin. Among the many clergymen and theologians who already play such a role are Archbishop Desmond Tutu, the Reverend Beyers Naude, Reverend Allan Boesak, and Archbishop Dennis Hurley. In this regard, we note that on October 21, 1986, the General Synod of the Dutch Reformed Church withdrew its previous theological support of apartheid.

Political Leadership in a Post-Apartheid South Africa

The shape of South Africa's future will depend above all else on the qualities and character of the individuals who assume positions of leadership in a post-apartheid South Africa. On this count, the Advisory Committee finds considerable grounds for optimism.

One of the most important is the pluralistic character of black politics in South Africa. Outside of the homelands, there is no modern history of authoritarian black institutions. Before the ANC was banned, debates within the organization over strategy and tactics were vigorous and open. In exile, it has been remarkably free of the internecine feuding that has afflicted many other exile movements. Although rooted in different intellectual traditions, the Black Consciousness movement and more recently the United Democratic Front (UDF) have demonstrated a remarkable ability to bring together under one umbrella groups and individuals representing a variety of different interests and perspectives. At all levels of organization, and especially within the trade union movement, there is a deeply ingrained commitment to the principle that leaders must be accountable to their constituents.

Another distinctive feature of the South African scene is that, from the 1950s to the present, local community leaders have played a decisive role in determining the agenda of opposition politics. The UDF and COSATU are examples of institutions in which unity has been built from the bottom up on the basis of shared interests and objectives rather than imposed from the top down on the basis of the preconceived ideas of national leaders.

The vitality of the creative debate that is currently under way inside the black political community is another asset as we look beyond apartheid. The intellectual contributions of a steadily expanding number of black educators, journalists, lawyers, church leaders, union leaders, and businessmen attest to the breadth of resources that will be available to a nonracial society. In a society free of race restrictions, their mixture with white leadership will further enrich such resources.

The Advisory Committee believes that political leadership in South Africa should and will ultimately be drawn from a diverse array of organizations, institutions, and individuals. In view, however, of the increasing tendency for discussions of post-apartheid politics to focus narrowly on the political character of the African National Congress (ANC) leadership in exile, we concluded that it was important to analyze the ANC in some depth.

Over the past two years, the ANC, though still banned, has returned to center stage inside South Africa. According to a range of public opinion surveys, at least 40 percent of black South Africans support Nelson Mandela and the ANC (or other organizations such as the UDF that subscribe to the Freedom Charter). Given the

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RECOMMENDATIONS

When the Advisory Committee began its deliberations early in 1986, there were some indications that a process of fundamental change might be beginning in South Africa. As the background to our findings indicates, however, the "reforms" so far enacted or considered by the South African government are limited, and fall far short of what is necessary. We believe that the 1983 constitution was actually counterproductive in that it ignored the political rights of blacks. In the absence of decisive and unambiguous movement to end apartheid and create a nonracial democratic political system and a nonracial economic system, the cycle of repression, violence, economic decline, and sanctions that is already underway will escalate.

It would be unrealistic, in the face of this past year's events, to suggest that we have discovered a set of measures that can quickly and peacefully bring about a transition to a post-apartheid society. Instead, we have sought to present in our findings an overview of what will be required for such a transition and then prescribe a package of actions that we believe will have the best chance over time of realizing the objectives that we all share.

The Urgent Need for Negotiations

The first and foremost priority of U.S. policy should be to help to facilitate the beginning of "good faith" negotiations between the South African government and representative leaders of the black majority aimed at shaping a nonracial democratic political system. We, therefore, recommend that the United States, in close concert with its major allies, begin a diplomatic effort to achieve this objective.

As we have stressed throughout our report, conflict in South Africa will not end nor will the transition to a post-apartheid democracy begin without negotiations. Negotiations are not merely desirable, but unavoidable. Whether before or after a high toll in human suffering and economic damage has been exacted, black and white South Africans must recognize that military means -- whether aimed at revolution or repression -- cannot alone resolve the present struggle, and that, in the end, neither black nor white can live and prosper without the other.

Genuine negotiations are unlikely to begin until all parties recognize the terrible long-term costs that will inevitably result from a refusal to negotiate and compromise, and they begin to acknowledge the benefits that could flow from a negotiated settlement. U.S. policymakers, acting both unilaterally and in concert with the leaders of other nations deeply involved in South Africa, must attempt to impress on South African leaders, black and white, a clearer understanding of the probable costs of intransigence, and possible benefits of compromise. They should also seek to play a positive diplomatic role by providing opportunities and venues for both informal discussions and formal negotiations among representative South African leaders.

To succeed, negotiations must satisfy both the disenfranchised black majority's legitimate demands for political justice and economic opportunity and the white minority's concerns about its future. The path to such an accommodation will be long and arduous. There is no magic formula that can resolve the conflicts underlying the present crisis. But our wide-ranging discussions with a cross section of South Africans have led us to conclude that, in order to create the conditions necessary for the initiation of genuine, open-ended negotiations with truly representative black leaders, the first steps the South African government must take are:

-- to release Nelson Mandela, Walter Sisulu, Govan Mbeki, and all other persons imprisoned for their political beliefs or detained unduly without trial;

-- to unban the ANC, and other political organizations, and establish the right of all South Africans to form political parties, express political opinions, and otherwise participate freely in the political process;

-- to terminate the State of Emergency and release the detainees held under such State of Emergency.

The most urgent challenge facing the United States and other members of the international community is to convince President P.W. Botha and his supporters that it is in their interest to negotiate now rather than later. Unfortunately, they appear unlikely to accept this reality until a further combination of internal and external pressures raises the financial and human costs of maintaining apartheid with its present white monopoly of power. Sanctions alone will not change the attitudes of South Africa's ruling white minority. They must be combined with efforts to dissolve the atmosphere of fear that has so narrowed white visions of a post-apartheid South Africa. This will require:

-- finding ways to dispel the lack of knowledge that prevents many South African whites from understanding the depth of despair that fuels black unrest, the justice of black demands, and the strong concern of most black leaders for the future welfare of South Africa and all of its inhabitants;

-- taking steps to provide whites with reasonable assurances that they will not be unjustly victimized by a post-apartheid government;

-- undertaking imaginative diplomatic and private efforts to encourage black and white South Africans to discuss and debate alternative political formulas and negotiating processes.

There must be no confusion or uncertainty in the minds of the present South African government, or in the minds of those struggling to create a nonracial South Africa, as to the preconditions for the resumption of normal political and economic relations with the United States. For this reason, the Advisory Committee recommends against U.S. endorsement of "reforms" that fail to address the fundamental concerns of black South Africans. Applause for piecemeal reforms has proven counterproductive. In addition to emphasizing the urgent need for "good faith" negotiations, U.S. officials in all branches and levels of government should clearly communicate to South African officials these fundamentals:

-- the restoration of national citizenship to all persons born or naturalized within the internationally recognized territory of South Africa that have been denied citizenship on the basis of race;

-- the repeal of the Group Areas Act, the Native Lands Act, and the Population Registration Act;

-- the creation of a legal system that will ensure that persons charged with crimes, including those of a political nature, are entitled to guarantees of due process, particularly the right to a fair and speedy trial and the prohibition of detentions without cause;

-- the reincorporation of the "independent" homelands into the Republic of South Africa.

These steps could and should be taken by the present South African government even before there are negotiations or agreements on procedures to bring about a transition to a nonracial democratic political system.

A Program of Action

After examining the range of specific actions open to the United States, the Advisory Committee has concluded that there is one overarching requirement for an effective U.S. policy toward South Africa: strong presidential leadership. Only leadership at the highest level can communicate the sense of purpose and will that is necessary for effective action. We recommend that the President seize the opportunity created by the passage of the Comprehensive Anti-Apartheid Act of 1986 to take that lead in implementing and publicly communicating a policy toward South Africa that will:

-- make it clear that the United States opposes the racial policies and practices of the South African government, and that we will do nothing to support maintenance of the racially discriminatory system;

-- establish direct and open lines of communication with the full range of individuals and groups to whom black South Africans look for leadership;

-- help to set in motion a process of negotiation and reconciliation that will result in the abolition of apartheid and the establishment of a nonracial, democratic political system;

-- reinforce and strengthen the efforts of U.S. institutions, public and private, to support those individuals and groups inside South Africa struggling to replace apartheid with a democratic, nonracial political system and to ensure that the economic system is open to all regardless of race;

-- combine strong pressures for change with a recognition that those who seek change must address the fears of whites about the role they will play in a post-apartheid South Africa;

-- convey our commitment to assist the transition to a post-apartheid society;

-- mobilize other members of the international community in a concerted effort to promote negotiations in South Africa and prevent escalating conflict throughout the region.

An urgent task for U.S. policymakers is to develop a good working relationship with South Africa's black majority. Without such a relationship the ability of the United States to play an effective mediating role will be limited. Moreover, sooner or later, this majority will take its rightful place in the governance of the country. Inevitably, U.S. relations with a government supported by the majority of South Africans will be strongly influenced by the links that are established during the period of struggle.

At a time when the United States and most of the international community of nations are urging the South African government to enter into a dialogue with black leaders, it is more important than ever that U.S. officials undertake creative and sensitive initiatives in this critical area. The Advisory Committee, therefore, recommends that the U.S. government expand its contacts and communication with opposition movements such as the ANC, the Pan-Africanist Congress (PAC), the UDF, the Azanian People's Organization (AZAPO,) Inkatha, and the increasingly influential trade unions. A critical step in this process is the removal of any remaining U.S. restrictions on official contacts with exiled opposition movements.

The United States should not establish an exclusive relationship with any one opposition party or movement in South Africa. As we have noted in Part II of our report (Background to the Findings and Recommendations), the range and diversity of black and multiracial political organizations is a ground for optimism about the possibility of a democratic future in South Africa. Attempting to take sides, pick winners, or encourage divisions would be counterproductive.

South Africa presents the United States with a set of unique challenges. Until apartheid is ended, it will be impossible to carry on the full range of normal relations with the South African government. It is essential, however, that in the conduct of our new policy, our educators, clergymen, lawyers, businessmen, and labor leaders, as well as our government officials be able to communicate directly with South African leaders, white and black. Therefore, we should not place further restrictions on travel or visas. The Advisory Committee recommends that the President expand his range of personal contacts with South Africans, and that the Secretary of State consider an early visit to South Africa.

The U.S. Embassy in South Africa has a critical role to play in efforts to reestablish the credibility of U.S. policy. Our Ambassador faces an especially difficult set of pressures, demanding a particular combination of personal skills. While the Ambassador is accredited to the South African government, he must also serve as an emissary to the black opposition. We believe it would be a mistake to emphasize either of these roles to the exclusion of the other. The Embassy must maintain channels of communication with the South African government, but it should not allow concerns about the possible closure of those channels to restrict opportunities to be in communication with black leaders across the political spectrum.

The United States must also seek to assist those individuals and groups victimized by apartheid who are struggling to lay the groundwork for a just and productive post-apartheid society. Three general guidelines should guide U.S. policy in this area.

-- Efforts to provide relief and development assistance to black South Africans should build on existing programs. Many public and private organizations are already active in these areas. Taking advantage of the skills, experience and credibility these organizations have developed will increase the effectiveness of new initiatives and avoid needless and wasteful overlaps.

-- Public initiatives should be designed to supplement rather than supplant private efforts. Foundations, churches, universities, trade unions, and other private institutions have increased their activities in South Africa significantly in recent years. One of the greatest strengths of individual-to-individual and organization-to-organization contacts is the ability to build upon a basis of mutual respect and trust growing out of shared experiences and goals. In many sectors of South African society, private institutions are now in a better position to provide relief and help to expand communication and promote dialogue and reconciliation than are U.S. officials.

-- To foster a climate of understanding, sensitivity, and trust that will help to ensure that assistance programs effectively address the priority interests and needs of South Africa's black majority, U.S. institutions must give special attention to developing processes of consultation with black leaders and organizations. Black South Africans must be involved in setting the agenda, shaping the direction, and implementing programs established with external assistance.

With these general guidelines in mind, the Advisory Committee recommends that priority be given to the following areas.

An area where the private and public sectors in the United States have assisted and can continue to assist South Africans to prepare for the end of apartheid is education. While educational assistance will not provide quick political solutions, it can prepare young blacks to help administer and govern a future South Africa.

One of the most serious problems affecting blacks is the damage done by the South African government's decades-long practice of a policy of "Bantu education." This policy, which deliberately limited the range of educational opportunities available to black school children, resulted in a secondary school system where 70 percent of black teachers do not themselves have a secondary school diploma. Without strong secondary schools, universities will be able to do very little. We, therefore, recommend:

-- that the United States, in cooperation with South African universities, develop programs to train younger black teachers in public, private, and church schools in areas where further training is most needed, such as mathematics and language skills;

-- that groups of teachers be invited to the United States for one or two term courses of study, particularly when the object is to train teachers to teach English.

In the area of assistance to higher education, we recommend:

-- that American financial assistance projects be designed to help strengthen technical education at all universities, black and white, and expand the access of blacks to predominantly white universities by providing housing support;

-- that some aid be directed to the hundreds of exiled South Africans in the border states, perhaps through universities in those countries;

-- that black faculty members at both white and black universities be invited to the United States for advanced training.

We recommend that the following guidelines be adopted in developing a framework to provide educational assistance in South Africa:

-- The U.S. government should continue to avoid direct government-to-government relationships. Instead, educational assistance should be provided through groups that are able to preserve their independence from the many ministries and agencies that administer education -- for example, the National Education Crisis Committee, the Educational Opportunity Council, the South African Council for Higher Education, and the South African Council of University Vice Chancellors.

-- Efforts should be made to unite private and public educational assistance donors in the United States by, for example, distributing private and public aid through a consortium of American universities.

-- It is generally more effective, economically and psychologically, to provide educational assistance in South Africa or neighboring states rather than attempt to bring large numbers of South African students to the United States.

When the time comes, as it inevitably will, that whites begin to recognize the potential magnitude of the human and material costs of continued intransigence, it will be important that the United States and other industrialized nations be prepared to help ease the transition to a new socio-political order. To provide some assurances to those who are concerned that the tyranny of apartheid not be replaced by a tyranny of a different character, assistance to a future government should be made contingent upon the establishment and preservation of an independent judiciary with full powers of judicial review; entrenched constitutional protection of individual freedom of association, freedom of speech, and freedom of the media; and constitutional protection against expropriation without just compensation.

Toward this end, high priority should be given to efforts to increase the number and effectiveness of lawyers and judges in South Africa committed to the protection of basic civil rights and liberties and equal justice under law. Support for this professional area is one of the best means of limiting injustices under the current government and protecting against injustice under a future government. We recommend that the U.S. government:

-- support the expansion of programs to increase the number of qualified black law students and lawyers in South Africa;

-- encourage U.S. law schools to cooperate with and assist those South African law schools committed to providing legal training for blacks;

-- encourage U.S. law firms to provide opportunities for young black South African lawyers to receive specialized on-the-job training and experience in American offices;

-- encourage the formation of a U.S.-South African legal exchange modeled after the British-American and Canadian-American legal exchanges.

Believing that the failure of the existing system to provide sufficient economic opportunities for blacks is a major reason for growing black hostility to capitalism and free enterprise in South Africa, we recommend that:

-- U.S. firms support the development of integrated housing and integrated training classes for their employees;

-- U.S. private voluntary organizations such as Habitat for Humanity develop pilot programs in South Africa to provide low cost housing for the urban and rural poor;

-- U.S. firms continue efforts to provide vocational and technical training for black South Africans;

-- U.S. firms support the formation of a "Small Business Investment Corporation" patterned after U.S. Minority Enterprise Small Business Investment Companies (MESBICS) to undertake co-financings of black business ventures;

-- U.S. firms in South Africa adhere to the fair labor practice standards commonly referred to as the Sullivan Principles that are contained in the Comprehensive Anti-Apartheid Act of 1986.

-- U.S. firms in South Africa that decide to disinvest make every effort to have black employees and investors participate in the purchase of the business.

Merely to end apartheid will not be enough. What follows will be of critical importance. If the result is a bitterly fractured society, harboring fear and hatred and obsessed with old wrongs, South Africa cannot and will not be strong and productive. It is imperative, therefore, that there be reconciliation and healing among the people of South Africa. The longer the present situation continues, the more difficult and less likely such healing will occur.

A great promise for achieving such reconciliation and healing lies in the breadth and depth of religious commitment in South Africa. The country's Jewish, Muslim, and Hindu minorities are important elements in working toward such healing. But with more than three-quarters of all South Africans professing adherence to the Christian faith, the Christian churches within South Africa and the rest of the world have a large role to play in overcoming the

widening chasms of hatred, fear, and violence. We recommend, therefore, that U.S. churches be challenged, as denominations and as individual congregations, to reach out to their sister churches and church members in South Africa with tangible offers of assistance.

Concerted international pressure must be an integral part of any effort to bring the South African government to the bargaining table. President Reagan has stated that he will vigorously enforce the measures put into effect by the Comprehensive Anti-Apartheid Act of 1986. Those measures provide strong signals of the United States' rejection of apartheid -- signals that will affect the calculations of the Botha government and its supporters. The Advisory Committee has concluded, however, that the most effective external pressure will come from a concerted international effort. We recommend that the President begin urgent consultations with our allies (especially Britain, Canada, West Germany, France, Japan, and Israel) to enlist their support for a multilateral program of sanctions drawn from the list of measures included in the Anti-Apartheid Act of 1986.

We believe that the urgency of the situation demands that such a multilateral program of sanctions should be put in place unless the South African government releases all political prisoners, unbans the ANC and other political parties, and terminates the State of Emergency. In his consultations with our allies, the President should make it clear that, in the view of the United States, this is an issue of fundamental importance to Western interests and that the United States is prepared to exert substantial influence to get others to enforce these sanctions and other international measures, such as the 1977 arms embargo, already in effect. One unilateral step that the President should take to communicate the seriousness of the United States' commitment to multilateral sanctions is to adopt measures to prevent countries such as Israel that import U.S. arms and defense material from transshipping such goods to South Africa and selling to South Africa technology and material critical to its efforts to attain military self-sufficiency.

If Pretoria remains intransigent, the international community would have to address the adoption of additional diplomatic and economic steps. These might include a comprehensive multilateral trade embargo and consideration of ways to establish effective international sanctions on newly mined South African gold.

South Africa has been taking extraordinary steps over the past decade to prepare for sanctions and to minimize their effects on the economy. Over the long term, however, multilateral sanctions will have a significant effect. In combination with mounting internal pressures, such sanctions would communicate to the white governing establishment the reality that economic growth and political stability are unlikely unless and until apartheid is ended and a process leading to the emergence of a government based on the consent of the governed is initiated.

To communicate the United States' determination to increase pressure for change and enhance the credibility of the threat of further sanctions, the Advisory Committee recommends that the U.S. government develop a more coherent minerals policy aimed at reducing our long-term vulnerability to disruption of strategic mineral supplies from South Africa by encouraging conservation, mineral substitution, recycling, technological innovation, exploitation of lower yield reserves, and coordinated stockpiling.

As this report strongly demonstrates, it is impossible to develop an effective policy toward South Africa without taking into account the broader regional context. U.S. officials must recognize that efforts to build positive relationships with black leaders in South Africa have been significantly damaged by the failure to deliver a long promised settlement in Namibia and the decision to provide military support for Jonas Savimbi's UNITA in Angola. The Advisory Committee, therefore, recommends that:

-- the U.S. government begin consultations with its Western allies and the leaders of the Front Line states to consider ways to reinvigorate efforts to achieve an international settlement in Namibia;

-- the President take note of the complications for U.S. policy in South Africa created by U.S. military assistance to UNITA in Angola.

A long and violent transition to majority rule in South Africa could leave a bitter inheritance for future generations throughout one of the world's most economically interdependent regions. South Africa has already begun to exact a high human and economic toll from neighboring states. It is imperative, therefore, that U.S. policy toward South Africa be constantly monitored in a regional context. More specifically, the Advisory Committee recommends that a plan be developed, in consultation with the Congress, to:

-- support increased development assistance by the United States, as well as other countries and lending agencies, to the Front Line states in southern Africa;

-- help buffer neighboring states from the effects of economic dislocations in South Africa;

-- help facilitate economic reconstruction and regional cooperation in a post-apartheid southern Africa.

The Advisory Committee is convinced that the approach outlined in this report offers the best hope, at this time, of encouraging those remaining positive forces for change that exist in South Africa and moving the South African government to begin negotiations with black leaders.

SOUTH AFRICA ADVISORY COMMITTEE REPORT (PART THREE)
(Text: February 10 Report to Secretary of State)
(12,760 words)

PART II. BACKGROUND TO THE FINDINGS AND RECOMMENDATIONS

The Apartheid System

The system of enforced racial separation known as apartheid forms the basis for the political, economic, and social dominance of South Africa by the white minority. Apartheid -- an Afrikaans word meaning "separateness" -- was first introduced as government policy in South Africa in 1948. Prior to that time, the country's racial segregation practices were largely based on custom and tradition rather than ideological design. In 1948, the (Afrikaner) National Party came to power on a platform promising to codify and systematize existing segregation into a policy of "separate development" for whites, blacks, Indians, and "Coloureds" (mixed-race). The introduction of more rigid segregation of the races in housing, education, and other social areas became known as "petty apartheid." Under Prime Minister Hendrik Verwoerd's administration (1958-1966), a parallel policy of "grand apartheid" was initiated to divide the country into separate, independent "homelands" for each of the legally designated black ethnic groups. Under this policy, all black Africans (representing over 74 percent of the population) were permanently denied political and residential rights in "white" areas comprising some 87 percent of South Africa's total land area, including the areas richest in natural resources and developed infrastructure. While four such "homelands" -- Transkei, Bophuthatswana, Venda, and Ciskei -- have been declared independent by the South African government, no other country has recognized their sovereignty.

Many racially discriminatory laws and practices were in place before apartheid became the law of the land in 1948. Among them were the Native Lands Acts of 1913 and 1936, which set aside a small fraction of the country's land area for the permanent residence of the majority black population. In 1937, the government sought to control the movement of blacks by establishing a requirement that they obtain special permits to seek work in urban areas. In the same year, municipalities began to create separate residential areas based on race.

Although voting rights in the 1800s were not based on race, few blacks qualified for the franchise. The Union of South Africa constitution of 1910 specifically prohibited black representatives in the Union Parliament. Until the 1930s, blacks in Cape Province had the franchise, but it was based on highly restrictive educational and property qualifications. Blacks were removed from the Cape common voting roll in 1936; Coloureds were removed from the roll in 1957.

The laws enacted by successive National Party governments as part of the systematic effort to limit the rights and opportunities of blacks and circumscribe relations between different racial groups included:

-- the Population Registration Act of 1950, which required classification of all South Africans on the basis of race (as determined by appearance, general acceptance, and repute);

-- the Group Areas Act of 1950, which provided that certain designated areas could be owned or inhabited only by people of specified races and required that residential areas be segregated on the basis of race;

-- the Black (Urban Areas) Consolidation Act of 1945, the Black Labour Act of 1964, and the Black Labour Regulations, which, along with other laws and regulations, established a system of "influx control" to regulate the entrance and employment of blacks in white areas of the country and to restrict the residence of blacks to the segregated townships established near white areas;

-- the Native (Abolition of Passes and Coordination of Documents) Act of 1952, which provided that police and other authorized government personnel could at any time demand the production of a "pass" to enforce influx control restrictions;

-- the Promotion of Bantu Self-Government Act of 1959, which provided for the creation of separate (and potentially "independent") national states or "homelands" for each of the designated black ethnic groups;

-- the Bantu Homelands Citizenship Act of 1970, which made every black South African a citizen of one of the ethnic homelands, including millions of blacks who had always lived in white areas and had no ties with any of the designated homeland areas;

-- the Reservation of Separate Amenities Act of 1953, which established the requirement that separate buildings, services, and conveniences were to be reserved for different racial groups;

-- the Prohibition of Mixed Marriages Act of 1949 and the Immorality Amendments Act of 1957, which prohibited marriages and sexual relations between whites and members of other racial groups;

-- the Bantu Education Act of 1953, which placed education of blacks under the separate control of the Department of Native Affairs and directed that black children receive an education markedly different from (and in practice vastly inferior to) that received by white children;

-- the Native Labour (Settlement of Disputes) Act of 1953 and the Industrial Conciliation Amendment Act of 1956, which prohibited blacks from joining registered (i.e., officially recognized) unions and authorized the reservation of industrial jobs for members of specified races.

The effect and intent of this array of apartheid laws and regulations has been to limit the economic and educational development of black South Africans. Apartheid has constrained the movement, residence, and employment of every black in South Africa. Between 1975 and 1984, over 1.9 million blacks were arrested for pass law and influx control violations. Between 1960 and 1983, over 3.5 million blacks were relocated by the government. Many of these relocations have been conducted forcibly. Most relocations have been to the impoverished and increasingly overcrowded homelands, where educational, health, and other essential services are grossly inadequate and employment opportunities severely limited. As a result of these relocations, thousands of blacks work as "temporary" migrants in urban areas and are separated from their families for

months and even years at a time. In 1983, whites earned 4.4 times as much as blacks in the manufacturing sector, and the corresponding figure for mining and quarrying sector was 5.3. Estimated per capita spending by the government on white and black pupils in 1982-83 was R1,385 and R192 respectively. The average life expectancy for blacks is 57.5 years and for whites is 70 years.

In enforcing apartheid, the government has sought to institutionalize tribal and ethnic divisions among blacks. With the passage of the Bantu Authorities Act of 1951, the Natives' Representative Council, an advisory body that had represented all black South Africans, was effectively abolished and a hierarchy of tribal organizations created. The 1951 legislation gave the government the authority to appoint and remove tribal chiefs responsible for administering the homelands.

The massive bureaucracy which has been created to administer and sustain the elaborate structure of apartheid employs one of every two working Afrikaners, as well as many white-designated black administrators. The government has also amassed a broad range of emergency and security powers to check any attempts to challenge the apartheid system. Under these laws, individuals are "banned" and detained without trial, meetings are banned without cause, and civic organizations are declared unlawful.

Even beyond these powers, the Public Safety Act of 1953 allows the government to declare a state of emergency in a specified area or over the entire country for up to 12 months. It was under this Act that various levels of states of emergency were declared in 1960, 1985, and most recently in June 1986. Emergency regulations have been used to suspend a wide range of laws; to restrict and suppress the press; to permit the police to arrest and detain persons without a warrant; to conduct warrantless searches and seizures; and to give police complete immunity from prosecution for their actions.

Another dimension to apartheid is only beginning to be fully appreciated. The separation of the races in every sphere has sheltered many white South Africans from knowledge of the degrading conditions in which the majority of the population lives, and thus from an understanding of the depth of despair underlying blacks' legitimate demands for change. It has retarded development of the personal communication across racial lines that is so desperately needed for reconciliation.

A Balance Sheet of Apartheid "Reforms"

During a United Nations Security Council debate in October 1974, R.F. ("Pik") Botha, then South Africa's representative to the UN (now Minister of Foreign Affairs), declared that his country would "do everything in our power to move away from discrimination based on race or color."

Three forces provided the impetus for this new "reformist" phase: (1) By the early 1970s, many South African businessmen and economic planners had come to recognize that, by hindering the growth of a stable and skilled black labor force, apartheid was beginning to limit the prospects for continued industrial expansion. (2) The collapse of Portuguese rule in Angola and Mozambique following the April 1974 coup in Lisbon heightened South African fears of

international isolation. (3) The Soweto-sparked riots of 1976-77 awakened a significant range of government officials to a realization that the original apartheid concept would never win the support of most black leaders.

The basic thrust of the government's program since P.W. Botha was chosen to lead the National Party in 1978 has been to reduce some officially mandated racial separation and discrimination without endangering continued white control of the political and economic system or threatening the maintenance of "white identity." Among the measures adopted by early 1986 were:

-- the Industrial Conciliation Amendment Acts of 1979 and 1981, which largely deracialized South African labor law, extended official recognition to black trade unions, and abolished job reservations in all sectors of the economy except mining;

-- The Liquor Act Amendments of 1986, which repealed racially discriminatory provisions of the Liquor Act, thus permitting (but not requiring) hotel and restaurant owners to serve all races;

-- the Constitutional Affairs Amendment Act of 1985, which repealed the Prohibition of Political Interference Act of 1968 (which had prohibited racially mixed political parties);

-- the Group Areas Amendments Act of 1985, which empowered the Minister of Constitutional Development and Planning to establish free trade areas and open central business districts to businesses of all racial groups;

-- the June 1985 repeal of the Immorality Amendments Act of 1957 and the Prohibition of Mixed Marriages Act of 1949;

-- a 1984 policy decision not to reimpose racial quotas on universities' selection of their student bodies, thereby allowing universities to admit students on the basis of academic qualification only, regardless of race;

-- the amendment of the Black Communities Development Act of 1984, which granted permission for black South Africans to acquire property in urban areas (i.e., townships) designated for blacks under the Group Areas Act and to convert leasehold rights in these areas into ownership rights.

A government White Paper and various official statements in early 1986 raised expectations about the scope of reforms that would be undertaken in the course of this year to recognize the permanence of the black urban work force and restore South African citizenship to blacks denationalized by the creation of the "independent" homelands. The actions taken as of early 1987 are, sadly, much more limited than the projections:

-- The Restoration of South African Citizenship Bill of 1986, which made possible the granting of South African citizenship, upon application, to blacks who permanently work and reside in the townships with their wives and families. The South African government has estimated that this will enable only 1.75 million blacks to obtain citizenship out of the estimated 9 million who lost their citizenship when "independence" was granted to the Transkei, Bophuthatswana, Venda, and Ciskei ethnic "homelands."

-- The Abolition of Influx Control Act of 1986, which abolished the old passbook and replaced it with a uniform identity document for both whites and blacks (but one still coded according to race). This measure, along with the repeal of influx control regulations governing black employment under the Black Labour Act of 1964 and the Black (Urban Areas) Consolidation Act of 1945, will ease restrictions on movement within the country for blacks categorized as citizens of the Republic. These changes will not apply to the over 7 million blacks, including some 2 million residing in "white" South Africa, who still do not qualify for citizenship. It is understood that these 7 million will need to obtain some kind of permit in order to work and reside in "white" South Africa.

-- As of April 18, 1986, the cessation of arrests of those violating influx control laws and the release of the thousands who had been detained or were serving sentences for such offenses. There are reports, however, that a growing number of blacks who previously would have been prosecuted for pass law violations are now being prosecuted under trespass laws and local ordinances prohibiting squatting.

The government has also undertaken to provide limited, local political rights to blacks who reside outside of the "homelands" through complex, decentralized arrangements. This change is grounded in the distinction established in the 1983 constitution between matters designated as each racial group's "own affairs" (e.g., education and community services) and those considered to be "general affairs" (e.g., national defense, internal security, and economic policy). Limited self-government was extended to black townships through the Black Local Authorities Act of 1982 and the establishment in 1986 of Regional Services Councils with multiracial representation. Participation in these new institutions, which are still subject to extensive control by white authorities, has been overwhelmingly rejected by blacks.

Although the 1983 constitution granted limited national political rights to Coloureds and Asians, the government has steadfastly refused to consider granting blacks full political rights at the national level. Instead, President Botha has proposed black participation in a National Statutory Council consisting of "representatives of the governments of the self-governing national states, as well as leaders of other black communities and interest groups." Under the President's chairmanship, this council would have only very limited advisory powers. No credible black leader has yet agreed to serve on the council.

The emergence of a strong and democratic independent black trade union movement is one of the few unambiguously positive developments to emerge from the government "reform" program. Since they were legalized in 1979, independent black trade unions have played a major role in bringing about improved wages and working conditions. In addition, they have developed strong leaders whose practical experience in negotiations should enable them to play a significant role in the transition to a post-apartheid South Africa.

In the view of President Botha, the initiatives summarized above justify his claim that South Africa has outgrown "the outdated concept of apartheid." By the racial standards of most white South Africans, the changes that have occurred over the past decade may seem profound. To most black South Africans, however, the changes

are far too limited, do not address the fundamentals, and have come far too late. For example, blacks derive little benefit from the right to join multiracial political parties when they continue to be denied the right to participate in national elections. Similarly, continued segregation of residential areas, schools, and health services seriously limits the effect of the 1985 legislative change allowing interracial couples to marry legally.

Reforms such as those which have enhanced the status of black trade unions are significant, but they have done little to alter the basic structure of apartheid. The main pillars of separate development -- the Native Lands Act which designates 87 percent of the land in South Africa as "white" areas, the enforced classification of all South Africans on the basis of racial and ethnic categories stipulated in the Population Registration Act, the Group Areas Act which segregates residential and other areas on the basis of race, the Promotion of Bantu Self-Government Act which created separate "homelands" for each of the major black ethnic groups, and the 1983 tricameral constitution which excludes blacks from a national political role -- remain in place.

To be seen as legitimate, reforms must come as part of a process of negotiation. Such a process is impossible so long as important representatives of black opinion are denied a presence and their rightful political role inside South Africa. In this connection, the government's increasingly brutal repression of political opposition, particularly since the June 1986 declaration of a national State of Emergency, discredits President Botha's stated willingness "to negotiate with all South Africans on political reform." All of the formulas for "power sharing" so far discussed by the Botha government have been cast within the framework of apartheid, and have provided for a continuing white veto over any future actions that could adversely affect the economic, social, or political interests of the white community.

President Botha and other South African officials speak often of their commitment to Western values without seeming to understand that this rhetoric is contradicted by the accumulation not only of apartheid laws but also of security legislation enacted over the last three decades. In 1986, the government began to use its authority on an unprecedented scale to detain without trial, prohibit political gatherings, and impose strict media censorship. Since the nationwide State of Emergency was declared in June 1986, over 20,000 people, many of them children, have been detained. Most of these detainees have been denied access to their families and legal counsel and many have been subjected to cruel and inhumane treatment. Moreover, legislation enacted in 1986 authorizes the extension of detention from 14 days to up to 180 days for persons arrested under the Internal Security Act and gives security forces additional powers in designated "areas of unrest" even without the declaration of a State of Emergency.

One of the most abhorrent practices of certain elements of the South African governing establishment is the deliberate effort to fuel conflicts among blacks. Much of the responsibility for the "black-on-black" violence to which white authorities are now seeking to draw the attention of the outside world rests with the policy of apartheid. The ethnic animosities that many whites allege to be at the root of this violence were institutionalized in the Population Registration Act of 1950, and they have been consistently exacerbated by official policy ever since.

We deplore evidence of police complicity with black "vigilante" groups involved in incidents of violence against community leaders and, in the 1986 case of the Crossroads community in Cape Town, the wholesale destruction of an entire neighborhood. The vicious practice of "necklacing" used by young "comrades" to intimidate and punish those fellow blacks targeted as "collaborators" with the white government also must be unambiguously deplored. It is a sadly telling statement that, while Archbishop Desmond Tutu and other black church leaders have interceded to block incidents of violence and to reconcile divided communities, South African police, black and white, have failed to intervene against "vigilante" actions and, in several instances, provided encouragement and even arms to individuals involved.

Provisions in the 1983 constitution greatly enhancing the powers of President (formerly Prime Minister) P.W. Botha and limiting the substance and scope of judicial review allow the President to take a variety of actions immune from challenge in the courts. Even so, 1986 was marked by a sequence of judicial decisions in some regions of the country limiting government actions against political opposition. We regard the role of the courts, and of the legal profession in general, as one of the few hopeful aspects of the present South African scene.

As our study proceeded, we became increasingly aware that the white population of South Africa is not a monolith, and that the number of white voices publicly calling for an end to racial discrimination and the initiation of negotiations with black leaders has grown since 1982. Some noteworthy indicators of this trend are:

-- repeated and increasingly strong statements against apartheid by leading business organizations such as the Federated Chamber of Industries, the Afrikaanse Handelsinstituut, the Association of Chambers of Commerce of South Africa, and the Chamber of Mines of South Africa;

-- a widely publicized 1985 report by a Human Sciences Research Council committee (whose members included leading Afrikaner academics) which concluded "that the political ordering of intergroup relations according to the original apartheid model has reached an impasse and that constructive relations cannot be developed further along these lines";

-- the emergence of a group of some 30 "new Nat" MPs within the National Party caucus in the white House of Assembly, described by The Star (Johannesburg) in April 1986 as a "new liberal wing of the party...a lobby against (Botha's) overcautious reformist policies";

-- public opinion surveys indicating that as many as two-thirds of whites now view power-sharing with blacks as inevitable;

-- the increasing numbers of prominent Afrikaner as well as English-speaking white journalists, businessmen, religious leaders, academics, and opposition politicians calling for and engaging in talks with officials of the ANC.

These developments, and the persons involved, should be strongly encouraged. Those who break down stereotypes and articulate the positive aspects of a post-apartheid society perform a critical

function by prodding fellow whites to face up to the unavoidable costs of continued intransigence. But their numbers and immediate political influence must not be exaggerated. There is little prospect at present that a coalition of "genuine reformers" will wrest power from President Botha and his allies in the National Party and the military establishment.

At the opposite end of the white political spectrum is an increasingly vocal right wing that stridently opposes even the limited reforms that have so far been instituted. In 1982, MP Andries Treurnicht punctured the myth of Afrikaner unity by resigning from the National Party in protest over the decision to include Coloureds and Indians in the new constitutional dispensation. Treurnicht's Conservative Party, the older ultra-rightist Herstigte Nasionale Party (HNP), and the new semi-militarized movement known as the Afrikaner Weerstandsbeweging (AWB) constitute the threat from the right that National Party leaders frequently point to as justification for a cautious approach to reform. If political analysts are correct in their estimate that these groups have the support of at most one-third of the Afrikaner electorate, there is little prospect of the Conservative Party and its political bedfellows on the far right coming to power. Although they do not appear to be strongly represented in the military, they cannot be ignored. Their support is strong among two groups well placed to complicate and thwart negotiations and change -- the police and civil service. Moreover, the AWB has the potential to unleash a wave of right-wing terror that could spark an already incipient race war.

The South African Defense Force (SADF) occupies an important position in the country's power structure. The SADF has some 106,000 full-time members (64,000 conscripts and 42,000 Permanent Force volunteers). In addition, there are an estimated 317,000 Citizen Force reservists. Nonwhite participation in the SADF is limited to the volunteer Permanent Force. The SADF -- army, air force, navy, medical corps -- is the best trained and equipped military on the African continent. It is widely believed that the South African government possesses the ability to develop a tactical nuclear weapon capability. The military's political influence and direct participation in the highest councils of government have increased substantially since President Botha (who previously served as Minister of Defense for over a decade) came to power in 1978. As unrest in the townships has increased, the SADF has assumed a greater responsibility for domestic security. It continues to see its primary role, however, as the defense of the country as a whole against external enemies.

It is our view that power rests firmly in the hands of President Botha and his closest political and military advisors, and that his successor is likely to be drawn from this circle. Several factors account for the strength of Botha's position:

-- the greatly expanded executive powers given to the President in the 1983 constitution can be used to override parliamentary opposition if necessary;

-- the majority of Afrikaners, and many other whites as well, remain deeply fearful of the dangers of losing control to black "radicals" and thus continue to support strong police action internally and an aggressive military posture regionally;

-- although weakened by the Treurnicht-led defections of 1982, a belief that Afrikaner survival depends on placing unity above all else still exerts a strong influence over the political behavior of the National Party rank and file;

-- President Botha has the strong support of the senior military leadership.

For these reasons, we conclude that President Botha is in a position to carry the majority of Afrikaners with him in whichever direction he decides to move. Regrettably, he now appears to be moving the country into a new phase of hard-line siege politics. Several recent developments confirm this trend:

-- the May 1986 SADF raids on alleged ANC offices in Botswana, Zambia, and Zimbabwe;

-- the government's rejection of the preliminary negotiating concept developed by the Commonwealth Eminent Persons Group;

-- the willingness to bypass the legislative branch in the making of government policy, as exemplified by President Botha's 1986 use of the President's Council to enact security legislation that had been voted down by the two nonwhite houses of Parliament;

-- the June 12, 1986 declaration of a nationwide State of Emergency, and signs that the government intends to extend its crackdown on political opposition as long as it deems necessary;

-- the government's mounting campaign to discredit the ANC and organizations sympathetic to the ANC as potential participants in future negotiations;

-- the apparent closing of white ranks on the issue of countering sanctions;

-- the October 1986 decision of the South African government to declare the UDF an "affected" organization, thus preventing it from receiving foreign funds;

-- the November 1986 decision not to consider the report of the President's Council on reform of the Group Areas Act;

-- the apparent resumption of forced relocations of blacks to the "homelands";

-- the drastic December 1986 escalation of restrictions on the press;

-- growing restrictions on the intellectual activity in black schools.

The Long Struggle Against Apartheid

The oldest nationalist movement in sub-Saharan Africa is the African National Congress, formed in 1912. From the time of its founding until the late 1940s, the ANC followed a moderate course that emphasized, according to its 1919 constitution, "resolutions, protests...constitutional and peaceful propaganda...deputations (and) enquiries." When the government established the Natives' Representative Council in 1936, some ANC leaders became members.

A significant shift in ANC strategy occurred in the 1940s. When the National Party came to power in 1948 determined to broaden and intensify racial segregation, added weight was given to the arguments of younger ANC members who opposed participation in institutions such as the Natives' Representative Council on the ground that change could never be brought about from within governmental structures. Under the prodding of the ANC Youth League (founded in 1944), the organization adopted in 1949 a program of African nationalism and mass action involving nonviolent tactics of civil disobedience, as well as boycotts, strikes, and noncooperation.

In 1952, the ANC launched a nationwide "Defiance Campaign" urging blacks to defy apartheid laws. More than 8,000 went to jail, but the campaign failed to spark a hoped-for general strike. Despite its limited results, the Defiance Campaign demonstrated the multiracial breadth of resistance to apartheid.

In 1955, three other organizations -- the South African Indian Congress, the South African Congress of Democrats, and the Coloured People's Congress -- joined with the ANC to draft the "Freedom Charter," calling for a multiracial democracy in which "all national groups shall have equal rights."

Despite occasional arrests and constant harassment, protests against apartheid were widespread throughout the 1950s. In contrast to the earlier Defiance Campaign, however, most actions were focused responses to specific government actions to implement apartheid. National organizations played a role in most of the protests, but often in response to grassroots initiatives. In 1955, for example, resistance developed when the government began to demolish Sophiatown, a black freehold slum adjacent to Johannesburg, and relocate its residents. School boycotts were initiated the same year in a number of areas to protest implementation of the Bantu Education Act of 1953.

From late 1955 through 1958, the Federation of South African Women campaigned against extension of the pass laws to women.

In July 1959, a group within the ANC impatient with the leadership's failure to adopt a more confrontational posture, and also uncomfortable with the extent of white participation in the movement, broke off to form the Pan-Africanist Congress (PAC). The overriding commitment of the PAC was to a purified form of African nationalism.

Five months later, both the ANC and PAC announced plans for a national campaign against the pass laws. On March 21, 1960, the day chosen by the PAC to launch its campaign, several thousand protesters gathered in Sharpeville, a township on the edge of the industrial center of Vereeniging, to march to local police stations and turn in their passes. Surprised by the size of the crowd, police panicked and opened fire, killing 69 people and wounding some 180 others. In the wake of this confrontation, demonstrations and stay-aways, largely nonviolent, developed spontaneously across the country. On March 30, the government declared a State of Emergency and arrested over 1,500 leaders of political movements, civic associations, trade unions, and other organizations.

These events marked a major turning point in the struggle against apartheid. On April 8, 1960, the government declared both

the ANC and PAC to be unlawful organizations. An era of peaceful protest was thus brought to an end. Denied the opportunity to operate legally, both organizations went underground. ANC President Nelson Mandela explained the ANC's decision to form a guerrilla wing, Umkhonto we Sizwe ("Spear of the Nation"), in testimony given during his 1964 trial on charges of subversion:

All lawful modes of expressing opposition to (the principle of white supremacy) had been closed by legislation, and we were placed in a position in which we had either to accept a permanent state of inferiority, or to defy the government. We chose to defy the law. We first broke the law in a way which avoided any recourse to violence; when this form was legislated against, and when the government resorted to a show of force to crush its policies, only then did we decide to answer violence with violence.

Following the post-Sharpeville crackdown, which left most of the senior leadership of the ANC and PAC in prison or in exile, resistance to white rule ebbed. This period of quiescence lasted until the emergence of the Black Consciousness movement in the late 1960s. By emphasizing psychological liberation and self-help, the exponents of Black Consciousness played a critical role in dispelling the mood of hopelessness that had developed in the wake of Sharpeville. With a young medical student, Steve Biko, as their spokesman and driving force, Black Consciousness organizations began to fill the vacuum left by the banning of the ANC and PAC.

In October 1972, another group that had not attracted much attention for over two decades began to reassert itself. Black workers in Durban unexpectedly went out on strike, touching off the first major wave of labor unrest since the black mineworkers' strike of 1946. Some 61,000 workers walked off their jobs in the first three months of 1973 alone. This compared with an average of roughly 2,000 workers a year involved in strikes throughout the 1960s. Although the primary stimulus for the Durban strikes was economic, they were a harbinger of the significant political role that black trade unions would be playing by the mid-1980s.

The renewed wave of resistance crested on June 16, 1976, when some 20,000 Soweto schoolchildren marched in protest against a government decision that Afrikaans -- the language of the ruling Afrikaner minority -- would henceforth be one of the required languages of instruction in black secondary schools. These protests were neither anticipated nor orchestrated by national opposition leaders. When the police opened fire on the students, killing four, turbulence erupted across the country. Over a period of 16 months, at least 700 people died, most of them victims of police bullets.

Once again, the government responded with widespread arrests and detentions of black leaders. Between June 1976 and September 1977, at least 2,400 people were detained under the security laws. After being subjected to brutal interrogation, Biko died in police detention in September 1977. Fearing that international and domestic outrage over the circumstances surrounding Biko's death would fuel heightened unrest, the government on October 19 banned the South African Students' Organization (SASO) and most other Black Consciousness organizations, as well as the Christian Institute headed by Dr. Beyers Naude. Black community leaders such as Dr. Nthato Motlana and other members of the Soweto Committee of Ten were detained. The World, the most widely read black-edited publication in the country, was closed down and its editor, Percy Qoboza, detained.

In contrast with the sequence of events following Sharpeville, the government crackdown did not succeed in stifling black protest. Almost immediately after the October bannings, new opposition groups and leaders began to emerge. Included were such diverse organizations as the Congress of South African Students (COSAS), AZAPO, the Soweto Civic Association, the Port Elizabeth Black Civic Organization (PEBCO), the Media Workers' Association of South Africa (MWASA), the Black Lawyers' Association, and more and more unregistered black trade unions.

The post-Soweto unrest subsided in late 1977, but sporadic protests continued. The most significant of these involved organized school boycotts in and around Cape Town in 1980. The late 1970s and early 1980s also witnessed a rise in incidents of sabotage, including bombing incidents at the two most important symbols of South Africa's drive for energy self-sufficiency, the SASOL coal-to-oil plants and the Koeberg nuclear reactor facility.

In the wake of the Soweto riots, upwards of 6,000 young blacks left the country, many of them ending up in ANC guerrilla training camps in Angola or in the ANC educational facility in Tanzania. With the independence of Zimbabwe in 1980, South Africa found itself surrounded by neighbors sympathetic to the aims of black liberation. For the first time since the early 1960s, the government began to consider seriously the prospect that an externally based insurgency might develop -- and to shape its regional policy accordingly.

A new watershed in the history of the struggle against apartheid developed in 1983. The government of P.W. Botha was so preoccupied with opposition from Afrikanerdom's right wing to the new "reformist" constitution being introduced that the intensity of the black rejection of that constitution caught Pretoria totally unprepared. The new law of the land (approved by 66.3 percent of white voters participating in a November 1983 referendum) was presented by National Party leaders as a reform of apartheid in that the new tricameral parliament includes Coloured and Asian chambers. What was notably missing in the carefully detailed new constitution, however, was any consideration of a national political role for South Africa's 22 million blacks.

The mushrooming in 1983 of the United Democratic Front -- an umbrella organization representing a broad geographic, ethnic, and demographic base -- was in direct reaction to the "new dispensation." In a meeting in the Coloured township of Mitchell's Plain near Cape Town in August 1983, an assemblage variously estimated at 7,000 to 12,000 and said to represent more than 400 different trade union, civic, church, and political entities launched the UDF as a multiracial national alliance opposed to the new constitution and pledged to work toward "a single, nonracial unfragmented South Africa -- free of Bantustans and Group Areas." Many of the UDF's political views come from the ANC Freedom Charter, and a list of the organization's declared founders and patrons has a strong ANC flavor.

Although the UDF lost the battle that was its original *raison d'etre*, it successfully campaigned against black participation in the December, 1983 elections for the new township councils created by the government, holding the turnout down to some 10 percent in several townships countrywide. And, despite intensified government

harassment, including recent widespread detention of UDF leaders and a ban on foreign funding, it survives as a vital force in 1987, largely because its major strength is at the local level.

A second and smaller black group formed to fight the new constitution is the National Forum (NF). AZAPO, the moving spirit behind the NF, launched the organization at a meeting in Hammanskraal, north of Pretoria, in June 1983. The declared purpose was to bring together blacks in opposition to the new constitutional proposals, the same dynamic that produced the UDF, but under the banner of Black Consciousness. In contrast to the UDF's broad, nonracial appeal, the NF manifesto declared opposition to "the system of racial capitalism which holds the people of Azania in bondage for the benefit of the small minority of white capitalists and their allies, the white workers and the reactionary sections of the black middle class." The National Forum has been less vocal and visible than the UDF. It does not appear to have a permanent organizational structure, and its strident rhetoric has dampened the enthusiasm of its more moderate supporters.

Another movement that opposed the 1983 constitution was Inkatha, led by Chief Mangosotho G. Buthelezi. Originally founded in 1928 as a Zulu cultural organization, Inkatha remained in relative obscurity until 1974, when Buthelezi revived it in a sophisticated maneuver to sidestep legal strictures against black political activity. The Inkatha constitution, adopted in 1975, describes the organization as a "national cultural movement" that "desires to abolish all forms of discrimination and separation." This terminology was Buthelezi's way of saying that he did not intend that Inkatha would be a specifically Zulu organization, but would seek to span tribal and urban-rural divisions. Although Buthelezi is chief minister of KwaZulu, the government-designated "homeland" of the roughly 6 million Zulu speakers in South Africa, he and Inkatha reject "homeland" independence and stand for a unified nation.

Inkatha's relations with other opposition parties are complex. While a student at Fort Hare in the late 1940s, Buthelezi joined the ANC Youth League. In 1970 he sought the counsel of Chief Albert Luthuli, the leading ANC official in Natal, before becoming chief executive officer of the newly established KwaZulu Territorial Authority. His relations with the ANC remained cordial until 1979. He still corresponds with Mandela and calls for his release from prison as a precondition of any negotiations with the government, but his relationships with exiled ANC leaders and the UDF have deteriorated for a variety of reasons. His relations with Black Consciousness leaders, who have consistently opposed participation in all "homeland" structures, have always been strained. More recently, the establishment of the United Workers Union of South Africa (UWUSA), an Inkatha-affiliated organization in competition with the major preexisting trade union federations, has created further stresses in the black community. Even most of his critics acknowledge, however, that Buthelezi, as the leader of an organization with a claimed membership of 750,000 to 1 million members, qualifies as one of those who should be included in any direct negotiations between the government and a spectrum of genuinely representative black leaders.

A new wave of violence began in the black townships in September 1984, sparked this time by the decision of some of the new local councils (already largely discredited by the small voter turnout at

elections to select their members) to increase township rents. Harsh police action to suppress the protests exacerbated the violence. By July 1985, the situation had deteriorated so sharply that the government felt compelled to impose a State of Emergency in 36 of the country's 265 magisterial districts, the first such action since 1960. Despite thousands of arrests and detentions, the banning of COSAS, the deployment of army units as backup for the police in townships, and eventually a clampdown on international press coverage, the unrest continued. In March 1986, the government lifted the partial State of Emergency, only to impose a far more draconian nationwide State of Emergency on June 12. As noted earlier, this action was taken by President Botha pursuant to his special emergency powers after the Coloured and Indian houses of the tricameral parliament declined to approve legislation that would have granted police the authority to exercise the equivalent of emergency powers without the declaration of a State of Emergency.

Between September 1984 and January 1987, over 2,200 people were killed. Government authority in many townships collapsed in the wake of attacks on black councillors and policemen. Between September 1984 and June 1985, at least 240 black councillors resigned, and 29 out of the 32 town councils became inoperative. In many areas, blacks began withholding rents. Schools were officially reopened in July 1986 after a midwinter break, but extensive new security measures were introduced to prevent student political activity, and attendance has declined sharply. Prospects for stabilizing the educational environment remain in doubt.

Two years after the onset of the most widespread and violent unrest in South Africa since Afrikaners took up arms against British rule in 1899, the struggle against apartheid has moved into a fundamentally new stage, the main features of which are:

-- the emergence of an extensive, community-based national opposition, symbolized by the growth and resilience of the UDF;

-- the growth of an increasingly powerful and politically sophisticated independent black trade union movement, reflected in the December 1985 formation of COSATU, a federation of 36 unions with some 600,000 members;

-- the heightened militancy and increased prominence of young "comrades" of uncertain allegiance who have played a leading role in making the townships "ungovernable";

-- an increasing feeling among blacks that their cause is just and will be achieved within their lifetime;

-- the development of an increasing number of alternative institutions (notably local civic associations and groups such as the Soweto Parents' Crisis Committee) which have stepped in to fill the void created by the collapse of government-sponsored black authorities;

-- the resurgence of the ANC as a major political force inside the country;

-- the emergence of conservative black "vigilante" groups tacitly supported by elements of the South African police;

-- an escalation of urban bombing incidents, some involving civilian targets in white areas.

These developments have produced a fundamental change in the balance of forces inside South Africa. The government's options have narrowed considerably. There is no longer any prospect that it will be able to reassert its authority in black areas without sustained repression. But a "victory" for blacks is not yet in sight either. As Zwelakhe Sisulu cautioned in a speech at a meeting of the National Education Crisis Committee in Durban in March 1986: "We are not poised for the immediate transfer of power to the people. The belief that this is so could lead to serious errors and defeats."

The increasing depth and intensity of opposition to apartheid ensures that change will take place. What direction that change takes -- whether the dynamics of repression and revolution or dialogue and accommodation eventually become dominant -- will depend largely on the way white leaders respond to demands for an unambiguous end to apartheid and the initiation of negotiations to extend full political rights to all South Africans.

The South African Economy

Although South Africa has the richest and most diversified economy on the African continent, there is a striking contrast between the wealth and technological sophistication of its modern sector and the poverty and technological backwardness found in the "homelands" and townships. These sharp contrasts have been magnified and perpetuated by the policy of apartheid.

With a total population estimated at 32.6 million in 1986, South Africa is the fourth most populous country on the African continent (exceeded only by Nigeria, Egypt, and Ethiopia). In 1986 the racial composition was estimated at 14.7 percent whites, 74 percent blacks (including the "independent" homelands), 8.6 percent Coloureds, and 2.7 percent Asians. Demographers estimate that the population may climb to 45 million by the year 2000, with whites down to 10 percent of the total. It has been projected that 270,000 job hunters will have entered the job market yearly between 1977 and 1987 (730 a day). Many will have joined an existing pool of 2.5 million unemployed and underemployed, even as the shortage of skilled manpower becomes more acute.

In 1984, some 56 percent of the total population of South Africa lived in urban areas, including roughly 88 percent of all whites and 38 percent of all blacks. This compares with an average of 28 percent for the 13 sub-Saharan African countries (including South Africa) in the World Bank's "middle income" classification.

Disparities of income, wealth, and living conditions are among the most extreme in the world. This fact is substantiated by a broad range of indicators. For example:

-- As of 1975, the designated ethnic "homelands" (8 at that time) officially accounted for roughly 35 percent of South Africa's total population, but produced only 3 percent of total output.

-- A 1982 study by a University of Natal economist concluded that, although whites constituted less than 20 percent of the

population, they consumed between 56 and 61 percent of the goods and services financed by the government between 1949-50 and 1975-76.

-- In 1980, whites (who made up 16 percent of the population at the time) received 60 percent of total personal income, while blacks (72 percent of the population) received only 29 percent of total personal income. In 1970, the personal income shares received by the two groups were 72 and 19 percent respectively.

-- Among countries classified by the World Bank as being in the upper portion of the middle-income category, only Algeria and Iran had higher infant mortality and child death rates than South Africa. The South African rates in both of these categories were at least double the rates in 14 out of the 20 countries in this classification.

Despite the above, blacks now dispose of over 50 percent of consumer purchasing power.

The modern South African economy has its roots in the discovery and exploitation of gold and diamonds in the last third of the nineteenth century. Mining continues to be a major contributor to the country's total production of goods and services. Since World War II, however, manufacturing has become the dominant sector in the economy. In 1985, mining and manufacturing contributed 15.8 and 22.8 percent respectively to total gross domestic product (GDP), and accounted for 17.5 and 29 percent of total employment. Over the last century, the contribution of the agricultural sector to GDP has declined steadily. In 1985, it contributed 5.3 percent to GDP.

Despite its popular identification as a capitalist and free enterprise system, the South African economy is dominated by a substantial state sector and a small number of large companies. Three major corporations -- Anglo American, Sanlam, and Old Mutual -- were estimated to control 76.3 percent of the value of all shares listed on the Johannesburg stock exchange as of January 1987.

An important (and steadily growing) drain on government finances is the apartheid-bloated bureaucracy. Since the National Party came to power in 1948, the public sector's share of the economy has nearly doubled. The annual expenditures of the public sector, as a percentage of gross domestic fixed investment, increased from 36.5 percent to 53 percent between 1946 and 1976. Among the major corporations that are government-owned or government-operated are the Armaments Development and Production Corporation of South Africa, Ltd. (ARMSCOR), the Electricity Supply Commission (ESCOM), and the South African Iron and Steel Industrial Corporation (ISCOR). The major role of the state in the economy extends to the area of foreign trade where, by some estimates, government institutions sell more than half of all of the country's exports and buy more than 25 percent of all imports.

Historically, South Africa has attracted large amounts of foreign investment. Since 1946, however, it has become increasingly able to provide from local sources the means required for domestic capital formation. In the period 1945-55, foreign sources accounted for roughly 35 percent of new capital formation. In the period 1963-80; this figure dropped to below 10 percent.

In 1985, foreign investment in South Africa, direct and indirect, totalled some 40,000 million dollars. The primary sources of this investment were the United Kingdom (15,000 million dollars), the United States (13,000 million dollars), West Germany (2,500 million dollars), and France (2,000 million dollars). Since 1976 there has only been one year, 1981, in which South Africa has experienced a net inflow of direct private investment. There has been no new U.S. investment in South Africa over the past two years, except for reinvestment of earnings by companies already in the country; since 1983 at least 61 U.S. companies have withdrawn. Reacting to the sudden nature of the withdrawal of some U.S. companies, a number of black leaders, particularly in the trade union movement, have called on companies to give timely notice to their workers and negotiate equitable terms of withdrawal.

Many of the 241 U.S. companies listed as having "assets" or a "presence" in South Africa as of September 1986 were small operations (including, for example, newspaper bureaus) with few employees. According to figures compiled by the Washington-based Investor Responsibility Research Center (IRRC), the 25 largest U.S. employers in the third quarter of 1986 (including General Motors and IBM, which have since announced their intentions to sell their operations) had a total of approximately 36,000 employees. No racial breakdown was provided for this company-by-company listing. The IRRC's overall figure for the number of blacks employed by all U.S. firms operating in South Africa in 1986 was "about 47,000," or 0.8 percent of the country's 6.1 million workers. Some 160 of the U.S. firms with a South African presence in 1986 had adopted the fair labor standards (known as the Sullivan Principles) enunciated by The Reverend Leon H. Sullivan in 1977.

In the early 1980s, short-term borrowing by South African banks and state agencies in the international financial market increased significantly, rising from roughly 6,000 million dollars in 1980 to over 13,000 million dollars in 1984. This accumulation of short-term debt made South Africa extremely vulnerable to a sudden cutoff of international credit such as occurred in July 1985 when Western banks refused to refinance South African loans. As of September 1986, South Africa's foreign debt was 24,000 million dollars. Under a rescheduling agreement hammered out with foreign creditors in early 1986, 5 percent of this total is to be repaid by June 1987.

Foreign trade plays a major role in the South African economy. The proportion of foreign trade (imports plus exports) to GDP has fluctuated over time, but has consistently remained high -- for example, 64.7 percent in 1960, 55.4 percent in 1970, and 71.3 percent in 1980. The government does not publish detailed statistics in a number of categories, including oil imports, arms and military technology imports and exports, and trade with other African countries. This makes it difficult to get an entirely accurate picture. For example, most categories of trade with Israel are not officially reported, thus making it impossible to confirm the broadly held view that Israel is South Africa's major trading partner. In addition, a significant percentage of South African goods are shipped to Israel and other countries, reprocessed and/or repackaged, and then sent into the United States and the EEC, often on duty-free terms. According to IMF figures, based on statistics provided by the government, South Africa's major trading partners in recent years have been:

Exports to:	As % of total exports		Average annual change
	1984	1985 est	1980-85
United States	8.4	8.9	-7.0
Japan	7.7	8.3	-2.5
Britain	4.3	6.1	-10.7
Italy	2.5	4.2	7.5 West
Germany	3.9	4.0	-8.3
Holland	2.4	3.2	11.3
Switzerland	6.8	3.2	-19.7
France	2.2	2.0	-8.7 Special
categories (a)	46.6	45.8	-9.1

Imports from:	As % of total imports		Average annual change
	1984	1985 est	1980-85
West Germany	15.7	16.8	-6.1
United States	15.9	12.7	-12.1
Britain	11.1	12.3	-10.6
Japan	12.9	10.1	-8.8
France	3.8	4.6	-7.3
Italy	3.5	3.3	-9.8 Special
categories (b)	14.7	15.7	-20.7

(a) Mainly gold (b) Mainly oil and armaments

Gold is unquestionably South Africa's most important foreign exchange earner. In 1984, for example, gold exports represented roughly 48 percent of total foreign exchange earnings. Some recent figures for gold and other important exports are:

Exports	1984 (R millions)	1985 (R millions)
Gold	11,684	15,460
Minerals and products	3,037	4,935
Base metals	2,416	4,023
Food, drink, tobacco	1,312	1,819
Textiles	762	1,015
Chemicals	672	935
Diamonds	518	774
Other	3,978	6,517
Total	24,379	35,478

Apart from a significant but unreported volume in petroleum, South Africa's two largest categories of imports are machinery and transport equipment and components. Capital equipment, precision machine tools, chemical products and catalysts, and high-technology products such as computers are the only major items besides oil in which South Africa is not relatively self-sufficient.

Despite a lack of oil resources, South Africa has developed a relatively high degree of energy independence. Since the OAUPEC oil embargo of 1973, oil's share of total national energy consumption has reportedly been reduced by as much as 25 percent. Anticipating an eventual oil cutoff, Pretoria has developed an estimated reserve equal to between 3 and 5 years of supply. In addition, the three SASOL plants now supply roughly 30 to 40 percent of the country's liquid fuel needs by converting coal to oil.

In response to an international arms embargo begun on a voluntary basis in 1963 and made mandatory by the UN Security Council in 1977, South Africa has also developed its own independent arms industry. ARMSCOR, the state-owned armaments corporation, is now the third largest industrial group in the country, with some 16,000 employees. By 1985, South Africa's arms industry was ranked as the tenth largest in the world, and reportedly fulfilled roughly 85 percent of the country's requirements. It is generally agreed that this would not have been possible without direct or indirect assistance from foreign sources (notably Israel, France, and Taiwan). The recent announcement that South Africa has built its first prototype jet fighter (the "Cheetah") is illustrative of this point.

South Africa is currently experiencing its most serious economic crisis since the 1930s. Measured in constant (1980) prices, the economy grew less than 1 percent in the aggregate over the period 1981-85. In constant prices, per capita GDP actually declined from R2,187 in 1981 to R1,987 in 1985. Since 1980 the commercial rand has depreciated from 1.28 dollar to less than 0.50 dollar; and the financial rand, used for offshore transactions, now trades at around 0.23 dollar.

The link between South Africa's economic crisis and political conditions inside the country is undeniable. In its 1986 "Business Charter" for a post-apartheid South Africa, the South African Federated Chamber of Industries declared: "Economic conditions have come to be increasingly dominated by the polarization of political conditions which directly threaten the stability and prosperity of the country as a whole. In consequence the business community has accepted that far-reaching political reforms have to be demonstrably introduced to normalize the environment in which they do business."

Over the long term, lasting political stability will be impossible to achieve without a growing economy. Because of the increasingly important role of blacks in the economy, however, sustained economic growth cannot occur until apartheid is abolished and blacks assume their rightful role in the governance of South Africa.

The Regional Interdependence Factor

It is impossible to discuss South Africa without taking into account the broader regional context within which the Republic operates. Events in South Africa inevitably affect -- and are in turn affected by -- events elsewhere in southern Africa. Over the long run, the prospects for political stability and economic growth in South Africa are inextricably intertwined with the prospects for political stability and economic growth throughout the region. Moreover, U.S. actions in one part of the region almost always affect the calculations of leaders elsewhere in the region. For these reasons, regional considerations are -- and are certain to remain -- a major determinant of the nature and range of U.S. policy options.

South Africa is the dominant military and economic power of the southern African region. A major factor in its economic leverage over neighboring states is its position as the hub of the southern region's transport network. Figures for transport dependence vary

from year to year, but at least 50 to 60 percent of the trade of Malawi, Zambia, and Zimbabwe and 80 to 100 percent of the trade of Botswana, Lesotho, and Swaziland goes through the South African transport system -- either directly to and from South Africa or through its rail and port system to and from world markets. All six of these neighbors are landlocked. The transport dependence of these states has been considerably increased by the efforts of South African-backed guerillas to close down rail lines in Angola and Mozambique.

Partly because of its transport advantage, South Africa also plays a critical role in intra-regional trade. According to a recent study by the UN Industrial Development Organization, South Africa was the destination of about 17 percent of total exports from the nine member states of the Southern African Development Coordination Conference (SADCC) in 1982 and provided about 22 percent of imports to those countries. By comparison, total intra-SADCC trade was only about 5 percent of the 14 million dollars of total SADCC trade. There is, of course, considerable variation between SADCC countries in the degree of dependence on trade with South Africa. Two SADCC countries that do not border South Africa and have their own ports on international waterways -- Angola and Tanzania -- have virtually no trade with the Republic, while others -- especially Botswana, Lesotho, and Swaziland -- depend heavily on trade with South Africa.

Another category of regional dependence is found in the roughly 300,000 citizens of neighboring states employed on contract within South Africa, primarily in the mining industry. The remittances of mine workers to their families contribute significantly to the GDP of those states (50 percent in the case of Lesotho) and are also an important source of foreign exchange. In mid-1986, there were some 140,000 contract workers from Lesotho, 69,000 from Mozambique, 30,000 from Malawi, 28,000 from Botswana, 22,000 from Swaziland, over 800 from Zambia, and 7,500 from Zimbabwe. In addition, perhaps as many as 700,000 "illegals" from neighboring states are believed to be working in South Africa at any given time.

The economic interdependence of the region provides the South African government with considerable leverage that can and has been used to pressure its neighbors. But the benefits of this interdependence are not entirely one-sided. South Africa gains substantially from the economic interaction with its neighbors. According to a presentation before the Advisory Committee by Professor Stephen R. Lewis, Jr., South Africa ran an annual 2,000-2,500-million dollar surplus on trade in goods and non-factor services with SADCC states in 1985, a sum larger than South Africa's total current account surplus for 1985. Trade with its neighbors brings in valuable foreign exchange and has added significantly to the overall rate of industrial and nonindustrial growth. Moreover, it has in the past and will in the future permit South Africa to escape or mitigate some of the effects of international sanctions. By some estimates, the growth of exports to Botswana, Lesotho, and Swaziland alone accounted for 23 percent of South Africa's manufacturing growth in the 1970s, and 11 percent of the growth of other non-mining sectors over the same period.

The close link between developments in South Africa and the surrounding region is also a function of diplomatic and military policies pursued by Pretoria. As a leading Afrikaner political

scientist has noted: "South Africa's ruling elite has consistently been guided by a desire to create an environment in southern Africa which would be favorable to the Republic's political, economic, and military/strategic interests, (including) the safeguarding of South Africa's domestic political order."

In the late 1960s, Prime Minister B.J. Vorster undertook to reshape Pretoria's foreign relations, with particular attention to achieving rapprochement with Africa's newly independent nations. In 1974-75, he reportedly met privately with the presidents of several states, including the Ivory Coast, Senegal, and Liberia. These talks were followed by a highly publicized 1975 meeting with President Kenneth Kaunda of Zambia aimed at resolving the Rhodesian civil war. In dealing with its immediate neighbors, the Vorster government used economic as well as diplomatic cooperation (especially with regard to the Rhodesian issue) in its effort to further detente.

By the end of 1975, the detente initiative was foundering, largely because of the Rhodesian government's intransigence and South Africa's abortive intervention in the Angolan civil war.

After succeeding Vorster as Prime Minister in 1978, P.W. Botha, who as Minister of Defense had played a key role in the decision to intervene in Angola, shifted the emphasis of South African regional policy to what was termed a "total strategy." The objective was to create a "constellation of states" that would include the "independent" homelands along with Botswana, Lesotho, Swaziland, Rhodesia (Zimbabwe), and eventually Namibia in a cooperative economic-cum-political-cum-military order centered around an internally "reformed" South Africa. The February 1980 election of Zimbabwe's first independent government (resulting in Robert Mugabe's overwhelming defeat of Bishop Abel Muzorewa, who had received strong backing from South Africa) was viewed by Botha and his advisors as a death blow to their proposed regional arrangement.

In the wake of the unexpected Zimbabwean election results; Pretoria's regional policy shifted to a more aggressive ("proactive") posture driven by a false perception that South Africa was becoming the focus of a Soviet-orchestrated "total onslaught." Following this shift, the South African military proceeded to move at will in parts of southern Angola, raid targets in the capitals of Lesotho and Mozambique in retaliation for ANC operations believed to have been launched from these countries, and provide various forms of support and encouragement to dissident movements in states accused of contributing to the "destabilization" of South Africa or Namibia.

In early 1984, South Africa seemed to deemphasize the military component of its regional activities. But this shift proved to be temporary. As of early 1987, South African defense forces were active throughout the region. The most significant indicators of a return to an aggressive regional posture are:

-- the SADF's increasingly open and direct support for UNITA's guerrilla war against the MPLA government in Angola;

-- the successful effort in January 1986 to bring about the overthrow of President Leabua Jonathan's government in Lesotho through concerted economic and political pressure;

-- the May 1986 raids on alleged ANC offices in Botswana, Zambia, and Zimbabwe;

-- the apparent resumption of some degree of support for anti-government forces in Mozambique.

The regional conflict could intensify further in the near future, if South Africa continues to respond to the imposition of new international sanctions by increasing economic and military pressure on neighboring states. There is a real danger that South Africa's support of efforts by the Resistencia Nacional Mocambicana (MNR) to close transport lines running through Mozambique to Zimbabwe could precipitate a serious regional confrontation.

Pretoria's regional destabilization policy cannot be justified on the grounds that neighboring states, in league with the Soviet Union and "radical" anti-apartheid forces, are engaged in an orchestrated "total onslaught" against South Africa. On the whole, the states on South Africa's borders have been careful to differentiate between their moral support of anti-apartheid activists and the non-option of providing logistical assistance for military activities within South Africa. Only Angola and Tanzania -- the two members of the Front Line grouping most distant from South Africa's borders -- have significant operational links with the ANC military wing.

Over the past two and a half decades, the public statements of the neighboring governments have consistently been weighted in favor of a negotiated end to apartheid. In the "Lusaka Manifesto" of 1969, African leaders enunciated their position on negotiations to end white rule in southern Africa:

We would prefer to negotiate rather than destroy, to talk rather than kill...If peaceful progress to emancipation were possible, or if changed circumstances were to make it possible in the future, we would urge our brothers in the resistance movements to use peaceful methods of struggle even at the cost of some compromise on the timing of change.

The continuing commitment of the Front Line states to this position is attested to by their decisive contributions to the resolution of the Rhodesian conflict and repeated efforts, especially by President Kenneth Kaunda of Zambia, to encourage negotiations in Namibia and South Africa itself.

The fate of efforts to bring about a negotiated settlement in South Africa will depend in large measure on the support and cooperation of Kaunda and other regional leaders. Since few analysts predict that the highly urbanized South African struggle is likely to develop into a guerrilla war operating from external bases, neighboring states may not have as much leverage there as they had in the case of Rhodesia. Even so, the leaders of these states have the ability to affect the degree of Soviet and other influences over exiled leaders of the black nationalist movements, and to influence the positions those leaders will take in future negotiations.

Developments in the region influence the prospects for negotiations in South Africa in other ways that are more indirect but possibly more important. For example, the failure of

international efforts to resolve the Namibian conflict has increased black distrust of the Botha government and decreased their faith in the ability of diplomatic initiatives to bring about a negotiated settlement. In addition, the Reagan Administration's 1985 decision to provide support for UNITA in Angola appears to have increased anti-American sentiments among blacks in South Africa. If conflicts in the region continue to escalate and the Namibian conflict remains unresolved, the prospects for successful negotiations could be further reduced.

The Evolution of U.S. Policy Toward South Africa

Until 1960, the United States government (and the American people) paid little attention to the South African issue. A lasting change occurred in the wake of the Sharpeville shootings of March 21, 1960. At a special session of the UN Security Council, the United States voted for a resolution deploring the "actions and policies of the Union of South Africa" and calling on the government of Prime Minister Hendrik Verwoerd "to abandon its policy of apartheid and racial discrimination." Since 1960, official expressions of American condemnation of apartheid have steadily hardened and relations with South Africa have grown more distant, but with little discernible effect on the situation inside South Africa.

The first comprehensive statement of U.S. policy toward the southern region of the continent by a high-ranking American official was made by Secretary of State Henry Kissinger in Lusaka, Zambia on April 27, 1976. The Ford Administration's heightened interest was prompted by fear of a repeat of the indirect superpower confrontation that had unfolded unexpectedly in Angola following the abrupt collapse of Portuguese colonial rule there in 1974-75. Kissinger's speech signaled the beginning of active U.S. involvement in efforts to negotiate settlements that would end armed conflict and achieve the internationally recognized independence of Rhodesia (Zimbabwe) and Namibia. In urging South Africa to end "institutionalized inequality," he warned that the time left for peaceful reconciliation was "of far shorter duration than was generally perceived even a few years ago." Less than two months later, the Soweto riots dramatically affirmed this assessment.

In 1977, the Carter Administration sought to identify the United States more strongly with forces for change and create greater distance between Washington and the government establishment in Pretoria. Major manifestations of this new emphasis were (1) repeated public calls for "full political participation by all the citizens of South Africa -- equal participation in the election of its national government and its political affairs"; (2) a tightening up on "gray area" exports to the South African police and military, especially following the death while in police detention of Black Consciousness leader Steve Biko; and (3) expansion of U.S. contacts inside South Africa with black leaders. In practice, however, operational priority in southern Africa continued to be given to efforts to achieve settlements in Rhodesia and Namibia.

When President Reagan came to office in 1981, a review of U.S. policy toward southern Africa was undertaken. The strategy that finally emerged was called "constructive engagement," a phrase taken from a Winter 1980-81 article in Foreign Affairs written by academician Chester Crocker shortly before he became Assistant Secretary of State for African Affairs.

"Constructive engagement" rested on four interrelated assumptions: (1) that South Africa's overwhelming economic and military predominance in southern Africa and its powerful internal security apparatus would, at least in the short term, enable Pretoria to "manage" internal and external pressures for change; (2) that the Botha government could be induced to agree to an internationally accepted settlement in Namibia if South African withdrawal from Namibia were linked to a withdrawal of Cuban troops from Angola and the prospect of an improvement in U.S.-South African relations; (3) that an early Namibian settlement would set in motion a self-reinforcing spiral of positive developments in South Africa and the region, thus validating the constructive engagement approach; and (4) that progress could be made more quickly on apartheid issues if the U.S. government used official rather than public channels for its criticism and pressure.

When progress in the Namibian negotiations was blocked by a hardening of the South African position and an inability to resolve linkage between progress on Namibia and the presence of Cuban troops in Angola, the regional dimension of constructive engagement began to unravel. At this point, greater attention began to be focused on the issue of apartheid.

The South African dimension of constructive engagement had two strands. One strand -- the attempt to help build black bargaining power through educational and training assistance programs and increased employment opportunities in U.S. companies -- has always had broad bipartisan support. A second strand led the Reagan Administration to tone down public criticism of apartheid while increasing private dialogue with the Botha government as part of an effort to encourage positive change through "communication and confidence building." It is this latter strand of constructive engagement that has received the most attention and criticism.

The "communication and confidence building" strand of the policy was based on the assumption that, once assured of American credibility and goodwill, the Botha government could and would take the steps required for a sustained improvement in U.S.-South African relations. These steps were expected to include the initiation of a discernible process of internal reform, acceptance of Namibian independence under the terms of UN Security Council Resolution 435, and development of mutually accommodative relations between South Africa and its neighbors.

Consistent with the belief that positive reinforcement would produce positive results, U.S. officials in 1981-82 avoided detailed public criticism of apartheid, quietly lifted several symbolic Carter-era restrictions on links with South Africa, and indicated a greater willingness to acknowledge near and medium-term reforms short of power-sharing "provided that the process is open-ended and consistent with a nonracial order."

The South African government's response to these opportunities afforded by constructive engagement was disappointing. Pretoria hardened its bargaining position in the Namibian negotiations; embarked on a concerted military and economic campaign to establish regional dominance by intimidating and destabilizing neighboring states, particularly Angola, Mozambique, Zimbabwe, and Lesotho; and failed to make a clear and persuasive commitment to move toward

extending meaningful individual political rights to black South Africans. Thus it is clear that constructive engagement has failed to achieve its original objectives.

In June 1983, then Undersecretary of State Lawrence Eagleburger documented the shift in a speech that criticized apartheid in strong and specific terms:

The political system in South Africa is morally wrong. We stand against injustice, and therefore we must reject the legal and political premises and consequences of apartheid.... We reject unequivocally attempts to denationalize the black South African majority and relegate them to citizenship in the separate tribal homelands.... Neither can we countenance repression of organizations and individuals by means of administrative measures like banning and detention without due process of law. By one means or another, South Africa's domestic racial system will be changed.

In response to the escalating spiral of cross-border raids by the South African Defense Force, the Reagan Administration also began in 1983 a concerted effort to broker accommodations between South Africa and its neighbors. This effort yielded several positive results in early 1984. Pressures against landlocked Zimbabwe were largely suspended. In February 1984, South Africa and Angola reached a cease-fire agreement calling for the withdrawal of South African forces from Angolan territory. In March 1984, South Africa and Mozambique agreed to a mutual nonaggression pact (the Nkomati Accord).

This period of detente was, however, short-lived. Relations between Harare and Pretoria are now more strained than at any point since Zimbabwe gained its independence in 1980. In the case of Mozambique, South Africa now appears to have resumed active support to MNR guerrilla forces in violation of the Nkomati Accord. The conflict in Angola has escalated sharply, with a more visible South African military presence in support of UNITA than in earlier years.

The situation inside South Africa has also moved in a direction sharply at odds with the hopes and expectations of the architects of constructive engagement: (1) The slow, halting, and circumscribed nature of the reforms so far enacted by Pretoria has largely discredited the argument that fundamental change can be brought about through a process managed and led by a National Party government. (2) The sustained intensity of unrest and violence in the townships and "homelands" has raised doubts about the ultimate significance of the enormous disparity that exists in the physical power of the South African government and its opponents. No longer can it be assumed that this imbalance provides whites with an indefinite check on political disintegration. (3) The political shock caused by the international banking community's 1985 refusal to turn over South Africa's loans has forced a reassessment of Pretoria's vulnerability to international economic pressures. (4) Evidence of increasingly bitter anti-Americanism among South African blacks has heightened awareness of the long-term damage to U.S. interests that can result from policies and rhetoric that create an impression of a Washington-Pretoria "alliance." Many South Africans, black and white, have viewed recent U.S. policy as tacitly approving of the aggressive regional policies of the South African government and the limited character of its "reform" program.

The domestic context of U.S. policy toward South Africa has also changed significantly since 1981. Various citizens' groups, particularly TransAfrica and the Free South Africa Movement that TransAfrica played a central role in launching in late 1984, have helped to make apartheid a major public issue. Picketing of the South African Embassy in Washington and sit-ins at colleges, universities, and corporate offices throughout the country focused attention on the apartheid issue throughout 1985. Churches, trade unions, civil rights groups, state and local officials, the Congressional Black Caucus, and other major figures in both the Republican and Democratic parties have joined in pressing for a more activist policy.

By missing opportunity after opportunity to demonstrate a tangible commitment to end apartheid and instead, by resorting to increasingly brutal tactics to quell legitimate black protest, the Botha government has furthered the development of a growing political consensus in the United States in favor of stronger economic sanctions. Thus, in October 1986 the U.S. Congress voted, by overwhelming margins in both houses, to override a Presidential veto of the Comprehensive Anti-Apartheid Act of 1986, which imposes a package of economic sanctions stronger than any yet adopted by any of South Africa's other major trading partners. Significantly, the new legislation also provides for expanded U.S. assistance in support of education and training for black South Africans.

In sum, U.S. policymakers now face a situation markedly different from that which existed in 1981. A new policy is now urgently required.

SOUTH AFRICA ADVISORY COMMITTEE REPORT (PART FOUR)
(Text: February 10 Report to Secretary of State)
(4,900 words)

DISSENTING OPINION By Owen F. Bieber

It has been a privilege for me to have worked over the last year with the distinguished and thoughtful citizens who served on the Advisory Committee. Each Committee member approached this difficult task with thoughtfulness, energy, and integrity.

All of us share the hope for a peaceful end to the racist apartheid system in South Africa and its replacement with a democratic system based on political, social, and economic justice. All, I believe, also share the realization that this will not occur easily, quickly, or without inevitable suffering.

Particularly impressive were the black South Africans with whom I met and analyzed in detail not only the repression inflicted upon them by the white minority government, but also their aspirations for a post-apartheid society based on equality and nonracialism.

Their anger and determination of today hopefully will yield realization of that dream tomorrow. Yet apartheid will not die quietly. And democracy will not be born easily.

America -- a country itself born in revolution -- must do everything possible to support black South Africa's struggle for equality. Many of the Advisory Committee's recommendations, if adopted, would be helpful to that end.

I do join the other members of the Advisory Committee in a great many of the report's stated views, particularly the following conclusions reached after long discussion and compromise:

-- The Reagan Administration's policy of so-called "constructive engagement" failed. It did not achieve its objective.

-- The U.S. policy debate over the merits of sanctions and economic pressure has been resolved with the enactment of the Anti-Apartheid Act, and the task now is to implement a program of multilateral sanctions against the government of South Africa.

-- If Pretoria remains intransigent, additional economic and diplomatic pressures, such as a comprehensive multilateral trade embargo and effective international sanctions on newly mined South African gold, would have to be considered by the international community.

-- The Reagan Administration's policy of providing military aid to Jonas Savimbi's UNITA guerrillas seeking to overthrow the government of Angola has significantly damaged U.S. efforts to build positive relationships with black South African leaders, as has the failure to deliver a long promised settlement in Namibia;

-- The Administration and the Congress should support increased development assistance by the United States and other countries and lending agencies, to the Front Line states in southern Africa, given the high human and economic toll being exacted by the South African government against those countries.

-- The U.S. government must expand its contacts and communication with opposition movements in South Africa, such as the African National Congress.

-- The Administration should not endorse "reforms" offered by the South African government that fail to address the fundamental concerns of black South Africans. Applause for piecemeal reforms has proven counterproductive.

-- The independent black trade union movement is characterized by a deeply ingrained commitment to the principle that leaders must be accountable to their constituents. The Congress of South African Trade Unions (COSATU) provides an example of an institution in which unity has been built from the bottom up on the basis of shared interests.

There are, however, a number of areas in which the Committee report does not go far enough.

During the sanctions debate in the Congress, I made clear -- both publicly and within the Committee -- my support for the strongest possible legislation. When the sanctions bill was adopted, I urged that the President sign it so that South Africa and the world would hear America speaking with one voice.

The override of the President's sanctions veto effectively put an end to nearly six years of constructive engagement, during which the Reagan Administration rejected meaningful pressures and employed "quiet diplomacy" in its attempts to seek an end to apartheid. The failure of that policy to achieve its goals resulted in a bipartisan domestic consensus that economic sanctions should be imposed despite the President's objection.

Although stronger sanctions should have been enacted, those that were adopted will add to the pressures upon the South African government and contribute to goals outlined in the Advisory Committee's report. Hopefully, the Advisory Committee's support for sanctions will be heeded by the Secretary and the Administration. There is no room for a difference between the laws of the United States and the policy of this Administration.

The Anti-Apartheid Act -- now the law of the land -- mandates escalation of sanctions against South Africa if "substantial progress" has not been made toward ending apartheid and establishing a nonracial democracy by October 1987. If that still fails to yield progress, our government will be faced with two basic choices: do we then abandon economic pressures on the South African government or do we escalate them?

Abandoning such pressures would not be likely to speed the destruction of apartheid any more than constructive engagement has. Escalation of sanctions through measures such as those enacted in the legislation adopted in June 1986 by the House of Representatives would provide the best hope for achieving the goals set out by the Committee. While a last resort and an imperfect one, this course is also the key nonviolent form of significant pressure likely then to be available to the United States.

The U.S. government also should enact further provisions aimed at limiting the ability of foreign multinational corporations to

fill the vacuum created by the withdrawal of U.S. companies from South Africa. Foreign companies that do so, for example, could be denied the right to bid on contracts with U.S. agencies at the national, state, and local level. And the President could limit U.S. market access to countries whose firms take such actions.

Finally, the U.S. actions in southern Africa have severely damaged our credibility in that region, as the Committee noted in the Report. The Reagan Administration's military and other aid to Jonas Savimbi's UNITA forces seeking overthrow of the government of Angola should be ended.

DISSENTING OPINION By The Reverend Leon H. Sullivan

I am pleased to have been associated with such committed individuals as those who served on the Advisory Committee. Rarely have I seen a more dedicated and hard working group. I want it clearly known that I commend and support the general thrust of the Advisory Committee's report, especially the recommendation for the need for a new U. S. policy towards South Africa.

It is my strong view, however, that the report fails to deal sufficiently with the continuing intransigence of the South African government to dismantle the apartheid system. Toward this end, there is the necessity for more stringent efforts on the part of the U. S. government to help influence decisive change in South Africa if, by the time prescribed by Congress for the reassessment of the Anti-Apartheid Act, apartheid is not statutorily abolished, along with a clear commitment by the South African government for equal and full participation of blacks in the political process. Such efforts should include support for the withdrawal of all U.S. companies and a total U.S. embargo against South Africa.

ADDITIONAL COMMENTS By William T. Coleman, Jr.

Participation in this Report has been a searing and shattering experience. For it revealed the stark reality that most whites in South Africa, even though they claim to have Western civilized values and have gained so many advantages from Western capital and technology, treat the overwhelming number of their black citizens and residents in inhumane ways, denying them even the basic human rights. Also upsetting is the utter lack of indignation and the acceptance of the status quo among a small number of people in the United States. For the United States is a nation committed to the belief that free men and free women have the capacity to govern themselves and that a democratic government is the best way to achieve freedom, economic benefits and human dignity for all its internationally-recognized citizens. We are also a country that, after at least three false starts, is committed to the belief that the color of one's skin and any temporary state of poverty should in no way prevent persons from full participation in governance, the society, and the economic affairs of the country in which they are born or naturalized.

South Africa is seized of similar opportunities and challenges and we, as part of the Western civilized world, will witness a missed opportunity if South Africa does not grasp them. I believe that the recommendations contained in the final report are in the best interests of all South Africans, black and white. They are achievable, and should have the support of the nations of the

Western civilized world as well as those other parts of the world that reject race as a criterion of human value.

These recommendations are not directed against the government of South Africa or against those persons who currently enjoy the greatest benefits in that country, including the right to participate in national elections. They are directed against "hunger, poverty, desperation" and chaos, against the continued exclusion of blacks from national elections and governance, and against the exclusion of those who currently vote in national elections from any future constitutional arrangement. Their acceptance and execution will place South Africa on the correct side of the global struggle between freedom and totalitarianism.

ALTERNATIVE RECOMMENDATIONS By John R. Dellenback, Lawrence S. Eagleburger, and Roger B. Smith

The undersigned members of the Secretary of State's Advisory Committee on South Africa feel that the research work of the Committee has been carefully and well done. We join in all of the Committee's report except that part entitled "Recommendations" beginning with page 13 through page 24 and, as an alternative thereto, make the following recommendations:

We differ with the conclusion underlying the recommendations section of the basic report that the most effective way in which the United States can now contribute to eliminating apartheid and assisting its victims, either immediately or over the long term, should include heavy reliance on intensified sanctions.

Passage of the Comprehensive Anti-Apartheid Act of 1986 has done at least three critically important things:

-- First, the United States has strongly and clearly declared the nation's abhorrence of apartheid and emphasized our united national intent to assist in its elimination.

-- Second, with the assurances of the President that he will proceed to enforce the provisions of the Comprehensive Anti-Apartheid Act of 1986 as passed, we have agreement between the executive and legislative branches of the U.S. government on the national policy in this area.

-- Third, the nation can now turn away from what we are convinced would be a wasteful and counterproductive continued concentration on sanctions. We can instead turn our attention to a careful consideration of what positive and constructive actions will assist all of the people of South Africa to avert the threatened disaster of a terrible civil war, to help relieve the tragic human consequences of the present system of apartheid, to reconcile the badly divided peoples and groups in South Africa, and to help all the people of that land establish a sound structure upon which to build their future.

Intensified sanctions, whether unilateral or multilateral, cannot serve as the cornerstone of a policy aimed at the positive and creative goals so carefully outlined in the basic Committee report. Indeed, the evidence suggests that it is in the context of a growing economy that South Africa has the greatest likelihood of resolving its basic problems. U.S. policy should now look toward

those measures which will have the greatest possibility of helping produce a stable, democratic, prosperous, and just society and government in South Africa.

We believe that the fundamental objectives of a wise U.S. policy toward South Africa are essentially stated in the basic report. These include:

-- communicating openly, forcefully, unequivocally and repeatedly the opposition of the U.S. government toward the racially discriminatory and repressive policies of the South African government;

-- supporting the creation of a favorable climate for negotiations between the South African government and black leaders by increasing awareness among all parties of both the costs of continued stalemate and the advantages of and genuine possibilities for mutually beneficial accommodations;

-- reinforcing and strengthening the efforts of U.S. institutions, public and private, to assist those individuals and groups within South Africa in greatest need and to support those seeking, in as non-violent a way as possible, to replace apartheid with a democratic, nonracial political system;

-- assisting in the creation of conditions for lasting political stability and economic vitality in South Africa, with emphasis upon a growing economy which affords opportunities for all South Africans to achieve a decent standard of living, and equal, constitutionally protected individual rights and freedoms, supported by a strong and vigorous legal system.

The evidence presented to the Advisory Committee over the past year makes clear that there are seeds of political change germinating within both black and white communities in South Africa. It would be tragic if the policies of foreign nations had the effect of strengthening the more reactionary elements in South Africa in their effort to quell a growing internal debate over the political future of that country.

Therefore, the United States should give the highest possible priority to one general diplomatic objective and one specific diplomatic initiative. Each has both unilateral and multilateral aspects.

The general diplomatic objective should be to strive to bring about the earliest possible negotiations between the leaders of the South African government and a broadly representative group of black leaders. Either side can easily block such negotiations by imposing a single non-negotiable precondition that is certain to be unacceptable to the other side. Only when both sides recognize the terrible long-range consequences that will inevitably flow from a continued refusal by either to negotiate, and when they acknowledge the benefits that can flow therefrom, will such negotiations take place. The United States should, unilaterally and with its allies and those other nations most deeply involved in South Africa, remain alert to every opportunity to impress on all involved a clear understanding of both those consequences and those benefits and to facilitate such negotiations.

A growing economy, driven primarily by enhanced income within the black sectors and augmented by an increasing number of educated black professionals, artisans, and technicians, would offer a powerful vehicle through which blacks can exercise increasingly important roles in leadership of the country and through which they can be enabled to enjoy their rights and liberties in a prosperous post-apartheid society. Priority sectors for relief and development should include:

Education

-- A quantum leap in the nature, availability, and quality of black elementary and secondary education should be an objective, using such means as specially designed curricula, church buildings for classrooms, and broadcast facilities and solar powered receivers to strengthen local teaching.

-- Emphasis should be placed on vocational/technical educational curricula to match the needs of a rapidly growing infrastructure and industrial base in the underdeveloped areas of the country.

-- Much educational aid should be channelled through South African groups that have preserved their independence of the 13 government ministries of education. This could include the various Education Crisis Committees that have been formed in the townships and cities and other more permanent groups such as the South African Council of University Vice Chancellors.

-- U.S. higher educational aid should unite private and public sources, perhaps by working through a consortium of American universities which could be responsible for the distribution of both private and public funds.

-- The innovative capacities of universities should be marshalled, perhaps through university-to-university linkages, to create special programs tailored to meet special black higher education needs.

There should be developed with South African universities a program for the generally very poorly prepared black teachers, primarily between the ages of 25 and 40, selected by appropriate community groups. Help should be given particularly where it is most needed, in mathematics and in language.

-- Support should be given to improved access for blacks at the predominantly white South African universities and to assisting the integrated universities in providing critically important residential bursaries for black students.

-- Some educational aid should be directed to the hundreds of exiled black South Africans in the border states, perhaps through universities in those countries.

-- Emphasis should be placed on making certain that the educational institutions which are recipients of aid are organized on a nonracial basis.

Where possible, emphasis should be placed on education within South Africa so as to maximize the impact of available funds, to

minimize unnecessary culture shock, and to create permanent structures to benefit future generations.

Legal and Judicial System

-- Assistance should be provided to encourage increased numbers of qualified black candidates to attend and complete law school, primarily in South Africa. In selected cases, assistance should be given to make advanced or specialized legal training available in the United States.

-- U.S. law schools should be encouraged to develop institution-to-institution relationships with law schools in South Africa, which educate blacks, in order to assist those schools with special needs in such areas as library resources, training of faculty, administrative assistance, and, possibly, visiting lecturers.

-- U.S. law firms should be encouraged to take selected young black South African lawyers or law students into their offices for concentrated periods of specialized training in advocacy and trial work.

-- The formation of a U.S.-South African legal exchange modelled after the pattern of the International Legal Exchange Program of the American Bar Association should be encouraged.

Housing

-- Foreign corporations doing business in South Africa should be encouraged to participate in new integrated housing developments for their employees in proximity to the place of employment.

-- Private voluntary organizations should be encouraged to expand their programs of low cost housing for the poor to include at least pilot programs in both the urban and rural areas of South Africa.

Black Business Development

-- Preference should be given to black-owned and operated South African firms in contracting for programs in Support of the education and housing initiatives in South Africa.

-- Foreign-owned or operated firms in South Africa should be encouraged to subscribe to and adhere to those fair labor practices standards, generally referred to as the Sullivan Principles, as they are set forth in the Comprehensive Anti-Apartheid Act of 1986.

-- Foreign-owned and domestic South African firms should be encouraged to consider formation of a "Small Business Investment Corporation" patterned after U.S. MESBICS to undertake co-financings of black business ventures in conjunction with government and private banking sources of credit. Wherever possible, South African MESBICS should include black managers and directors.

-- The U.S. government should immediately consider a selective program of financial assistance to qualified black South African groups, perhaps in the form of loans or guarantees for deferred compensation, to enable them to assume the ownership of facilities

or service operations in South Africa of U.S. business leaving the country.

-- Consultation with black leaders looking toward formation of a "South African Social and Economic Reconstruction Commission" should be given a priority place on the agenda for the heightened dialogue between the U.S. and South African black leaders to be undertaken pursuant to the Comprehensive Anti-Apartheid Act of 1986.

While the above is not an exhaustive listing of potential areas to be targeted for relief and development, it does address four of the most important areas of need at the present time which will remain critical areas of need in a post-apartheid society. Other areas, such as expanding the availability and quality of health care for blacks, may well call for similar emphasis.

Merely to end apartheid in South Africa will not be enough. Of critical importance is what follows. If the result is a bitterly fractured society, harboring fear and hatred and obsessed with old wrongs, South Africa cannot and will not be a strong, productive nation or measure up to its great potential for improving the lot of the people of all of southern Africa. It is imperative that there be reconciliation and healing among the people of South Africa. The longer the present course of action by the South African government continues, the more difficult it will be to bring about such healing and the less likely it will be that such healing will occur.

A great promise for achieving such reconciliation and healing lies in the breadth and depth of religious commitment in South Africa. The country's Jewish, Muslim, and Hindu minorities with their deeply held religious faiths are important elements in working toward such healing. But with more than 75 percent of the total population of South Africa professing adherence to the Christian faith, the Christian churches of South Africa and the rest of the world have the greatest potential to be bridges across the chasms of hatred, fear, and increasing violence. Racial divisions in South Africa do not, as in so many parts of the world, coincide with differences in religious beliefs. Blacks and whites, divided in so much else, for the most part share a common faith. The churches of the United States and other nations should be challenged, as denominations and as individual congregations, to reach out with offers of tangible help to their sister churches and church members in South Africa.

We should realize that there are already operating in South Africa many private voluntary organizations and many non-governmental organizations, from the United States and other nations, seeking in one way or another to serve relief and development needs of black South Africans. Any effort to expand these programs in a major way should build on what such organizations are already doing, should learn from their experiences, and should seek to avoid wasteful and unnecessary overlap. Effort should be made to optimize working through agencies already in place in South Africa, always being alert to new opportunities not originally seen, and, in what is a highly volatile situation, feeling a deep responsibility for the safety of those persons with and through whom such assistance is being given.

In seeking to assist blacks in South Africa, it is important that we involve them from the very beginning in both planning and

implementing programs, make certain those programs reflect fundamental black goals, gain the endorsement of those programs by credible black leaders, and make commitments that are long-term.

The deepest burden of our concern is for the blacks who have suffered and are still suffering so severely from the inequities of apartheid. It should be clearly recognized however, that the vast majority of the legal, police, and military power is in the hands of the present leaders of the white government. There are certainly many who believe that these leaders will not voluntarily share those significant powers with blacks under any circumstances. We disagree with that conclusion, but feel that South African government officials will inevitably first insist on satisfactory assurances that the whites of the nation will not be victimized by a move to real power-sharing between whites and blacks. They also will need to be convinced that real power-sharing will offer the best hope for avoiding national economic and social disaster and will truly offer a realistic opportunity for dramatic and major strengthening and growth for the nation's economy. Unless and until these conditions are met, the chances of achieving the objectives of U.S. policy toward South Africa without a blood bath of mammoth proportions are minimal.

It will only be if the United States is able to take effective action to assist the black victims of apartheid in meeting both their short and their long-range needs, and combine that effort with equally effective action to help assure and convince the leaders of the South African government on the two points set forth above, that the United States will be able to make an effective contribution to resolving the present near-impasse.

We strongly urge that President Reagan give a high priority to his own involvement, both personally and through his Secretary of State, in implementing the above recommendations. Without strong presidential leadership, no action by the United States will be effective in achieving the sought-after goals.

It is vital in developing an effective long-term policy toward South Africa to take into account the broader regional context. We recommend that an international plan be developed to support efforts to increase development assistance to the countries bordering South Africa and to help facilitate regional economic reconstruction and cooperation in post-apartheid southern Africa.

It is doubtful that any multilateral program on the scale of the above recommendations could possibly come together quickly or easily. We must brace ourselves for the long haul. We note with approval, however, that all members of the Advisory Committee appear to be in agreement that, while the United States should not refrain from applying its best efforts unilaterally, the greatest hope for real progress toward our objectives in South Africa lies in concerted positive multilateral action.

Based on evidence supplied to the Advisory Committee over the past year, we are convinced that there are reasonable grounds to believe South Africa can in fact make the difficult transition to political freedom and economic opportunity without incurring the tragic costs threatened by a continuation of the present course of conduct and events. The positive measures we recommend will assuredly not be easy to implement, but they do offer an opportunity