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## Smuts House Notes

In this issue of *International Affairs Bulletin*, Professor John Barratt and Professor Gerald Bender, in articles on Namibia and Angola, point to some of the divergent assumptions and perceptions which bedevil the current outlook for the region and for Namibian independence in particular.

It would be idle to pretend that the United States, under the broad rubric of "constructive engagement", had not facilitated contact between South Africa and Angola or that, without such contact and the understanding and eventual mutual trust which might develop from it, a settlement to the Namibian question would be possible.

It would also seem that whatever their public positions, the African states most intimately involved in the complex negotiations over Namibia's future recognise that there is no effective visible alternative to US mediation in some form. But progress, if there is to be such, is likely to be painfully slow and the form of US mediation is contingent on US electoral developments.

Whilst Luanda weighs the possible implications of life with UNITA, without the protection of the Cuban troops, against a deteriorating security and economic situation, Pretoria, whilst publicly stating that is ready to proceed with the settlement plan when the Cuban troops depart, would privately find the prospect of rapid progress now distinctly uncomfortable. South Africa's timetable seems to be predicated domestically on hurdling the present right wing obstacles to "reform" and, externally, in Namibia/Angola, on destroying SWAPO militarily and creating a domestic defense establishment which would hobble a future SWAPO government.

Pretoria's timetable simply does not mesh with the American electoral one, and, despite the recognition that US policy will become less "constructive" from Pretoria's viewpoint even in the event of the re-election of President Reagan in the 1984 Presidential elections, local factors will continue to weigh more heavily. In particular the perception of a "total onslaught" and the need to assign security the top priority in South Africa's relations with her neighbours will dominate Pretoria's thinking.

Unless Luanda decides to take a bold leap into the unknown by agreeing to a phased withdrawal of the Cuban troops, together with some sort of arrangement with UNITA, thereby putting Pretoria very much on the defensive, the outlook for rapid change in the situation remains bleak. A new US policy incorporating even significant pressures on Pretoria seems unlikely to break the logjam. In fact, it will probably only reinforce existing South African assumptions and perceptions. Nor will it release Angola from its travail.

The Editor

Gerald J. Bender

## Angola: the continuing crisis and misunderstanding

### Introduction

Angola's independence in 1975 brought the struggle for self-determination in Southern Africa one step closer to Namibia and two steps from the redoubtable Republic of South Africa. The civil war immediately preceding independence was more than an internal affair; it attracted widespread intervention and actually marked a crucial turning point in East-West relations. During its first seven years of independence, Angola has continued to be a focus of East-West strategic manoeuvring and a vital link in the struggle for and negotiations over the independence of neighbouring Namibia.

The tragedy of these two historical factors in Angola's birth as a new nation has meant delayed political, social and economic development. The losing side in the civil war has continued to wage a guerrilla war against the Luanda Government in central and southeastern Angola while South Africa wreaks havoc in Angola's southern provinces as revenge for Angola's harbouring the Namibian nationalist group, SWAPO. Whereas oil, diamonds, copper, iron ore and other vital minerals provide Angolans with the highest per capita income in Black Africa (\$495), nearly two-thirds of the budget is expended on these two wars. All other expenditures are considered secondary.

Surprisingly, given the longevity, prominence, and ramifications of the various wars in Angola, very little is known or understood about their background or impact on Angola's struggle for viable nationhood.

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## Perceptions and Misperceptions

For centuries Angola was an enigmatic, unknown quantity on the African continent. Its history under Portuguese colonialism was known to outsiders largely through the eyes of Lisbon, a vision basically taken at face value. Angola's position as a penal colony in the Portuguese overseas empire, Portugal's later attempt to establish a more viable presence through white settlement, and its (false) claims to have established a racial democracy seldom attracted the interest or attention of the rest of the world. Even in the mid-1950's, John Gunther (*Inside Africa*) observed that Angola was the least known big country in Africa, adding that scarcely a half dozen journalists had visited the territory during the previous twenty years.

With the outbreak of the war of national liberation in 1961, a number of journalists, scholars, and diplomats began to visit and write about Angola. Yet understanding still seemed to elude most of them and diametrically opposed interpretations of Angola's colonial history (especially race relations) were not uncommon. In addition, the fact that three major liberation movements (MPLA, FNLA, and UNITA) evolved during the independence struggle, further served to confuse attempts to understand Angolan realities. Each movement naturally claimed pre-eminence over the others and produced outside experts who, after "on-the-spot" trips, supported their respective host's contention of "controlling" major portions of Angola. In fact, in the early 1970s, separate books appeared which claimed that the MPLA, FNLA, UNITA and the Portuguese exclusively controlled essentially the *same* (eastern) part of the colony.

The Angolan civil war in 1975-76 resulted in a plethora of publications whose interpretations and "facts" were so contradictory that it was often hard to believe they referred to the same country and the same war. Almost all writers were partisans who selected "facts" according to their political preferences. Common to most was the notion that the struggle was between "good" and "evil," between "villains" and "heroes," with the only difference being the party to which these appellations were applied.

Part of the confusion and misunderstanding over the Angolan civil war resulted from the political and ideological diversity of the support the two sides attracted. The FNLA/UNITA alliance received assistance from not only the United States, France, and Britain, but also from the Peoples Republic of China, Rumania, North Korea, and South Africa. Some observers saw this alliance as "pro-Western," while others called it "pro-Chinese." The MPLA, on the other hand, secured support ranging from that of the Soviet Union and Cuba to Sweden, Denmark, Nigeria, and the former Katangese Gendarmes (once loyal to Moise Tshombe). To many, this was the "pro-Soviet" side, while others considered it to be the "non-aligned" side.

While the overwhelming tendency was to define and characterize the competing parties by the source of their external support, the diversity of that support, for both sides, was such as to preclude meaningful characterizations on this basis. In fact, none of the three movements could be legitimately or intelligently defined by the ideology of their outside patrons. Instead, each was more an expression of internal Angolan differences — e.g. ethnolinguistic, regional, racial, and other domestic factors. Nevertheless, both internal and external perceptions of the competing parties have been based primarily on selective perceptions of external patrons. Moreover, the pattern established during the civil war has persisted until today, whereby the favoured party is portrayed as enjoying broad ethnic and national support, while the other side is depicted as a puppet of foreign powers (e.g. the Soviet Union or South Africa).

These distorted perceptions not only stymied a negotiated settlement of the civil war, but have inhibited efforts towards national reconciliation during the more than seven years since Angolan independence was declared on 11th November 1975. The MPLA and its supporters view UNITA as a puppet and creature of South Africa and assume UNITA will wither away when its umbilical link with Pretoria is severed. UNITA and its supporters portray the MPLA as a Soviet/Cuban puppet which they assume will collapse as soon as Havana's troops leave Angola. Although neither perception is correct, it is critical to note that each side sees a settlement in Namibia as the key to ending the "puppet" connection of its adversary.

### **The Angolan adversaries**

From its origins in the late 1950s until its demise in 1978, the FNLA remained an almost exclusively Kikongo ethnic movement based in Zaire. (The Kikongo represent just under 20 per cent of Angola's population.) This party and its leader, Holden Roberto, were nearly always dependent upon the largesse and logistical support provided for more than two decades by various Zairean regimes. Following the second invasion of Zaire's Shaba province in the spring of 1978 by the former Katangese Gendarmes based in Angola, President Mobutu decided, in the hope of preventing a Shaba III, that it would be wise to try to be on good terms with his southern neighbour. Angolan President Agostinho Neto proposed a rapprochement with his Zairean counterpart, offering to curb the activities of the Katangese and begin their repatriation if Mobutu would do the same *vis-à-vis* the FNLA. Mobutu agreed, expelled Roberto (who has since been living in exile in France), cut off further support for the FNLA, and closed down their bases. This amounted to a virtual death blow for the movement.

Remnants of the FNLA subsequently started up a new organization, COMIRA, which occasionally carries out ambushes and lays mines in



northern Angola, but they have proved to be little more than a nuisance. Angolan leaders, through 1982, were convinced that Mobutu himself did not support or assist COMIRA, although some Zairean military commanders along the border have provided logistical assistance in return for bribes.

Of more concern to Luanda is Mobutu's position *vis-à-vis* UNITA and its leader Jonas Savimbi. Some UNITA officials do operate in Kinshasa, and Zaire has permitted planes to land in its territory, knowing that they will transport foreign journalists and UNITA cadres into Angola. Finally, although Savimbi spent a week in Kinshasa in early 1982 and met once with Mobutu, there still appears to be no active Zairean support for his movement. Angolan leaders monitor this activity very closely and seem to be extremely well informed about the extent of Zairean contacts with UNITA. They have privately threatened to retaliate (possibly leading to Shaba III?) if they perceive an escalation in Zairean-UNITA activity. The rapprochement is still in effect but both sides are uneasy about the intentions of the other and the situation attracts careful attention by interested parties.

One vitally important reason for COMIRA/FNLA's inability to sustain more than occasional attacks is linked to the MPLA's, albeit little noticed, effort to incorporate into the party and government peoples from northern Angola who had traditionally opposed the MPLA. In the past the MPLA projected an image of being composed principally of the Kimbundu peoples and mestiços; the Kimbundu make up just under a quarter of the population while mestiços comprise only about one per cent of the total population. In fact, the top leadership was traditionally drawn overwhelmingly from these two groups. For example, in October 1976, six months after the end of the civil war, the MPLA Political Bureau consisted of 6 Kimbundu, 3 mestiços and two northerners (1 Kikongo and 1 Cabindan). Exactly three years later, in 1979, following the death of Dr Neto, the MPLA Political Bureau comprised 4 Kimbundus, 2 mestiços, and 5 northerners (3 Kikongos and 2 Cabindans). This ethnic composition was maintained to the end of 1982, although some of the individuals have been changed. Moreover, in recent years, many Kikongo who returned to Angola from Zaire have been given important positions in the government, university, party, and other sectors. This rapid and profound integration of northerners is one of the MPLA's most impressive accomplishments since independence. At the same time, the numerical importance of whites and mestiços in the party has greatly diminished. Today, mestiços (6) and Whites (1) make up only 10 per cent of the 65-member Central Committee.

The two major factors which contributed to the demise of the FNLA in northern Angola, i.e., the loss of an external patron and MPLA co-option,

do not apply to UNITA and its main supporters, the Ovimbundu, who comprise about one-third of the Angolan population. Today less than 10 per cent of the MPLA Central Committee are Ovimbundu and only one is to be found in the cabinet. Moreover, UNITA's principal external patron, South Africa, has greatly augmented its support over the past three years, to the point that it is increasingly difficult to distinguish between South African and UNITA's military operations in southern and southeastern Angola. In central Angola UNITA operates more or less autonomously from the South Africans but the level of combat there is considerably lower than that found in the south and southeast.

The fact that the Ovimbundu are proportionately under-represented in the MPLA Central Committee and Government should not be interpreted to mean that the MPLA is anti-Ovimbundu. According to Defence Minister Pedro Maria Tonha (Pedale), over half the MPLA troops fighting in central Angola are Ovimbundu. In addition, a number of Ovimbundu have been incorporated in recent years into secondary government positions, such as at the vice-ministerial level. Nevertheless, some suspicion of the Ovimbundu obviously exists among the MPLA, especially given the discovery of underground cells of Ovimbundu UNITA supporters in Luanda and other major cities.

Following the establishment of the MPLA Government after the civil war, the army commanders, still flushed with victory, assured President Neto that remaining "pockets" of UNITA resistance would be cleaned out in no time. In 1976 and 1977 the MPLA had some success, but UNITA proved to be considerably more than a few pockets of "bandits," as the MPLA preferred to describe them. Gradually, the MPLA came to realize that the struggle had to be waged not only with guns but also with food and shelter, in order to win over UNITA supporters. Yet, such an effort presupposed that the Luanda Government would have the food, clothing, and other essential items to send into the contested zones as part of a strategy of winning over the population. Given the shortages in virtually all essentials, which have plagued the government and caused long queues in the capital itself for buying meat and clothing, it is not surprising that few items reach the bush hundreds of miles away. This inability of the MPLA to "deliver" essential material support to the population in central and southern Angola probably accounts for the maintenance and growth of UNITA support more than any ethnic or ideological appeal which Savimbi and his party may represent.

UNITA's military strength has been centred in eastern and southeastern Angola, which were also the main sites of its operations against the Portuguese between 1967 and 1974. These regions, once dubbed "the end of the world" by the Portuguese, are the least populated, containing approximately 5 per cent of Angola's population, with less than one person per

square kilometer, and most economically depressed in the country. The MPLA has been unable to dislodge UNITA from this area, which is also where the latter's military activities are most closely co-ordinated with those of South Africa.

UNITA operates more on its own in the Central Highlands, a heavily populated and rich agricultural area which is the heart of Ovimbundu country. Here the movement has been restricted to ambushes, kidnappings, and blowing up bridges and the railroad. While UNITA does not control land in the Highlands, its military activities, especially with respect to halting road and rail travel, definitely hurt the central government. In other words, UNITA has been in a position to increase its harassment of the MPLA in this important part of the country but has not been able to establish control. To accomplish the latter, Savimbi would need South African or some other massive foreign assistance.

The limited prospects for a UNITA military victory came as a surprise to many in the Reagan Administration once they probed Angola's internal realities. The most sobering appraisal of all came from none other than Savimbi himself who, in December 1981, shocked the then Secretary of State, Alexander Haig jr., when he stated that his troops could not militarily defeat the MPLA "*with or without the Cubans.*" He added that the best he could hope for was a coalition between the two parties. During the latter half of 1982, thanks in part to South Africa passing on a portion of the more than \$200 million worth of military equipment captured during their 1981 summer invasion, UNITA managed to expand considerably northwards along the eastern border, close to the areas near the diamond mines. The party also marked its first sustained attacks north of the Benguela Railway, near Malange. Yet these developments have not fundamentally altered matters as put by Savimbi in his assessment to Haig. UNITA remains a long way from displacing the MPLA (with or without the Cubans).

UNITA's situation becomes clearer when one considers some basic demographics. It is next to impossible for any army of less than 10,000 soldiers inside a country larger than the combined size of California, New York and Texas to defeat a regular, well equipped army of 40,000 and a militia of nearly a quarter million — not counting the Cubans. Equally apparent is the near impossibility of the MPLA, with or without the Cubans, being able to accomplish a military victory over UNITA, given the same demographics and the realities of guerrilla warfare. UNITA could probably continue to exist in Angola for years even if all South African support were withdrawn. Clearly then, neither side can realistically entertain prospects of totally defeating the other in the near or distant future. Ultimately, if there is to be a solution to the fighting in Angola it must be political.

### South African Barrier to Angolan Reconciliation

South Africa's policy of aggression towards Angola has been the stumbling block to a political solution of Angola's internal struggle. Pretoria's strategy of violence with respect to Angola incorporates four types of activities: (1) To attack SWAPO camps in southern Angola which contain armed and/or civilian Namibians; (2) To arm, finance, and logistically assist UNITA in its fight against the MPLA Government; (3) To carry out sabotage against major and minor economic targets; (4) to bomb, invade, and occupy important parts of southern Angola.

Angolan President Jose Eduardo dos Santos, in a speech on 11th November 1982, commemorating the seventh anniversary of Angolan independence, charged that South Africa has caused over \$10 billion worth of "material damage" in Angola since 1975. The accuracy of his estimates cannot be fully judged, because he provides no breakdown of that damage. Yet, even if one assumed that dos Santos exaggerated by a factor of three (which is highly doubtful), the amount of material damage would still be several billions of dollars.

While the direct costs of South African aggression can be measured in dollars and bodies, the indirect costs, though less easily measurable, are even greater. For example, a large number of skilled Angolans are diverted to the military effort, leaving voids in civilian bureaucracies which are often filled by expensive foreign technicians. More important, however, is the fact that continued South African attacks against Angola postpone not only Namibian independence, but also an Angolan rapprochement.

This assertion contradicts the conventional wisdom — shared by many in the Reagan Administration — which holds that South African attacks actually promote Angolan reconciliation, because their cessation can be bargained with the MPLA as the price for reconciling with UNITA. This erroneous belief, like so much of the conventional wisdom about Angola over the past decade, is based on a misperception of Angolan realities. It is not only incorrect, but dangerous, because it encourages some (including Pretoria) to add a second Angolan linkage to any settlement in Namibia: (1) expel the Cuban combat troops and (2) reconcile with UNITA. If either or both of these linkages are prerequisites for a South African withdrawal from Namibia, then there will be no settlement of this enduring international problem.

There is a corollary to that conventional wisdom — the longer South African pressure continues against Angola, the more dissension it causes among the (infamous) "factions" within the MPLA. Ultimately, it is argued, the so-called "moderate faction," which allegedly favours immediate reconciliation with UNITA, will see that the only hope for peace is to overthrow the so-called "hardliners" and will therefore carry out a coup. This view, prevalent in high circles in both Pretoria and Washington, again

illustrates a misperception of Angolan reality, this time in a misreading of the factions within the MPLA. While there are fluid factions in the Party over many issues, nearly total consensus prevails over one of them — reconciliation will be dealt with only *after* South African support for UNITA greatly diminishes or ceases, not *before*.

This position should not surprise those familiar with negotiations. The MPLA is no more anxious to negotiate with UNITA while she carries her South African baggage to the table, than UNITA is interested in negotiating with the MPLA and its Cuban baggage. Yet the MPLA maintains that it will not ask the Cuban troops to leave until South Africa ceases its attacks against Angola, while UNITA insists that there can be no ceasefire or peace until the Cubans leave. Obviously the key to both sides ridding themselves of their external baggage is to be found in Pretoria, but South Africa has shown no interest in seeing a reconciliation in Angola. On the contrary, it has been the greatest enemy of reconciliation and peace in the country. Conversations which took place between high-level Angolan and South African officials in Cape Verde in December, 1982, do not appear to have changed Pretoria's unsettling role in Angolan affairs.

### **The Cuban Link**

Three successive American Administrations (Ford, Carter, and Reagan) have refused to establish diplomatic relations with Angola because of the Cuban presence in that country, which the State Department currently estimates to include approximately 30,000 civilian and military personnel. Luanda's normalization of relations with Senegal and the Peoples Republic of China, in 1982, has left the United States as the lone country in the world which — seven years after independence — still refuses to recognize the MPLA Government. While the Ford and Carter Administrations made diplomatic recognition contingent upon a Cuban withdrawal, neither linked that withdrawal to the negotiations over Namibia. This new wrinkle was introduced by the Reagan Administration.

The United States, South Africa and UNITA maintain that there can be no satisfactory resolution of the Namibian problem and no peace inside Angola until "the Cubans" are sent home. It is necessary to put "the Cubans" in quotes because various parties have different understandings of which Cubans and how many must leave. For some, like UNITA, it means all Cubans whether combat or civilians, while South Africa has focused only on the military component. The United States, under both Carter and Reagan, has exclusively referred to Cuban "combat troops" implying that non-combatant Cuban military personnel could remain along with civilian technicians. The US has also indicated privately that not all Cuban combat troops would have to leave, while South Africa and UNITA have publicly insisted that every single one must go, although pri-

vately they acknowledge that at least a few thousand Cuban combat troops could remain after Namibia obtained its independence.

Despite the Reagan Administration's assurance to Pretoria in mid-1981 that it would "link" the withdrawal of the Cubans from Angola with South Africa's departure from Namibia, Washington did not raise the issue with Luanda until early 1982. After virtually ignoring the Angolan Government throughout its first year in office, the Reagan Administration did hold numerous and intensive negotiations with the Angolan Government throughout 1982. Yet, by the end of the year, little progress had been registered and both sides clung tenaciously to their starting positions. For the United States it was necessary to see progress on a Cuban withdrawal before a South African withdrawal from Namibia could be realized, while the Angolan Government has insisted that the South African withdrawal must precede that of the Cubans.

The Angolan and Cuban Governments have formally pledged a Cuban withdrawal from Angola under specified conditions. In a joint statement issued on 4th February 1982, in Luanda, the Foreign Ministers of both countries, Paulo Jorge and Isidoro Malmierca Peoli, committed their governments to a withdrawal "as soon as all signs of a possible invasion" by South Africa had ended. While this statement provoked heated debates within the MPLA Central Committee over the question of whether the Party should openly and definitively commit itself to a Cuban military withdrawal, and is reliably said to have caused a stiff rebuke from the Soviets, it went essentially unnoticed in the US and Europe. "They say they want the Cuban troops out of Angola and we have spelled out exactly how this can be done but they ignore it," Angolan Foreign Minister Paulo Jorge said in mid-1982. "The Americans want us to make the first move and risk our security but Washington is not even in a position to give us a guarantee that South Africa will not take advantage and attack during or after the withdrawal," he added. The demand for the Angolan Government to risk its security without a guarantee from the United States and others in the Western Contact Group, essentially paralyzed the Namibian negotiations during the latter half of 1982.

The deadlock has not only proved to be convenient for Pretoria — which shows no hurry to get out of Namibia — but the Republic's increased attacks inside Angola appear calculated to exacerbate Luanda's security concerns. The result is that South Africa has effectively sabotaged the Contact Group's Namibian talks by making it impossible for the MPLA to compromise on the Cuban troop withdrawal without seriously jeopardizing its security.

This is precisely how Pretoria undermined the important negotiations conducted by General Vernon Walters, a State Department trouble shooter, in the winter of 1982. In June, the General conveyed his under-

standing to Angolan President dos Santos that South Africa would not attack Angola during the winter, as they had done the two previous years. When Walters returned to Luanda in July for what he hoped was an Angolan agreement on the Cuban withdrawal, he was surprised to learn that South Africa had greatly increased the size of its forces along the border and appeared (based on the experience of the two previous winters) ready to attack. One hour after the General's plane left the country, South Africa bombed an Angolan town, marking the onset of Pretoria's third annual winter invasion of Angola. South African troops continue to occupy important areas in southern Angola and show no signs of immediate departure.

### **Prologue to a Conclusion**

The tragedy in the current history of Angola's struggle for viable nationhood lies in its having had to expend the material and human resources at its disposal to survive the manipulations of a larger East-West confrontation and the violence of a neighbouring battle for independence. From being largely ignored by the rest of the world to being thrust into the thick of a global conflict, having a geographic location in proximity to a giant which finds Angola anathema to its own interests and concerns, this young nation has been given no opportunity to use its resources for its own critical political, social, and economic development.

Faced with both external misperceptions of its internal realities and the need for its own peoples to understand and come to grips with those same realities, Angola fights for survival. A survival precariously dependent in the near future on withstanding South African violence, while Namibian independence remains in question and on the reconciliation of its internal divisions.

Over half Angola's population has never experienced an era of peace. Only when the military struggles are concluded will Angola's peoples be in a position to build their own future.

## **The outlook for Namibian independence: some domestic constraints**

### **Introduction**

The issue of Namibia continues to be confused and the outlook clouded. Internally, the structures of government at the centre have changed with the dissolution of the National Assembly and Council of Ministers, and there is now more direct rule from Pretoria through a new Administrator General. Internationally, there was a burst of diplomatic activity towards the end of 1982, and hopes were aroused in early 1983 for a limited breakthrough in direct talks between South African and Angolan officials. More recently, in spite of recurrent South African military operations into Southern Angola, SWAPO has been able to carry out one of its seasonal incursions into the Territory, up to and across the "red line" between Owambo/Kavango and the white farming areas, in greater numbers this year than previously.

However, without any real indication of a break in the deadlocked settlement negotiations, the developments in recent months seem to amount once more to a case of "the more things change, the more they stay the same". In fact, the diplomatic activity which for the past nine months or more has simply been revolving around one point — the Cuban presence in Angola — may be serving only to hide the gradual deterioration in the situation, at least as regards internal political and economic conditions, as well as the escalating military conflict.

The negotiations with the Western Five have now gone on for so long — six years — without final agreement having been reached, that it is not surprising that pessimism about the outlook is spreading. This applies to the outlook not only for independence, but also for both the internal situation and peace generally in the region of Southern Africa. This mood of pessimism may in turn have a further negative effect on the Namibian negotiations. While negotiations are still proceeding with the Western Five and between South Africa and Angola, indicating a desire from all sides at least to keep doors open, there is still reason for hope that a peaceful resolution of the Namibian conflict can eventually be found. But public pessi-



mism is unavoidable while there are no concrete positive developments.

There are several inter-related factors, or groups of factors, which can be identified (not necessarily in any particular order of importance) as currently influencing the outlook for South West Africa/Namibia:

*First*, is the internal political and economic situation in the country itself.

*Second*, and of great importance, are the decisions of the South African Government, which are influenced by both domestic and international considerations.

*Third*, the decisions of the Angolan Government are now vital, particularly on the Cuban presence, if agreement is to be reached. The Angolan decisions are likewise influenced by various domestic and international considerations, including the civil war with UNITA and outside involvement in it.

*Fourth*, SWAPO is a central and crucial factor, both as an internal radical political party, enjoying considerable support, and as an externally based and supported revolutionary movement engaged in an armed conflict with South African and South West African forces from its bases in Angola.

*Fifth*, other developments within the region of Southern Africa influence the decisions of the Frontline States as a group.

*Sixth*, the role of the Western Five, or Contact Group, led by the United States, is crucially important.

The *seventh* factor is the involvement of other outside powers, namely those of the Eastern bloc, which is of major concern to the United States and South Africa.

*Eighth*, the United Nations must be mentioned. Its involvement has been and will be unavoidable, both because it is an original party to the dispute over South West Africa's international future and because it has a role, with South Africa, in the final settlement process — a role accepted in principle by all parties.

Simply mentioning all these inter-related factors serves to illustrate how complicated and confused the efforts to resolve this issue have become, with a host of different parties involved, each with separate interests to promote. It could be said that essentially the South African Government retains the key to unlock the door to implementation of the present settlement plan. This may be true, but then implementation of the plan, difficult as that will be, is only one stage in the outlook for Namibia. What happens *after* independence is achieved is of vital importance, too, especially to the inhabitants of the country, but also to others in the region. The post-independence outlook is even more uncertain than that leading to in-

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dependence, and South Africa's role then will be very different, whether reduced or not in relation to the role of others.

While it is not intended to discuss all these factors here, it is worth recognising that they constitute the web within which the negotiators struggle in their attempts to release Namibia to independence. Anyone who believes that only one strand — i.e. the Cuban presence in Angola, on which the spotlight is currently focussed — remains to be cut, needs to appreciate that there are others which also have to be dealt with, before real independence in a stable region can be achieved.

On the basis of this brief but necessary introduction, indicating the complexity of the Namibian issue, it may be useful to look at two related aspects of vital importance in any attempt to assess the outlook for South West Africa/Namibia. The one is the rather neglected (at least in international circles) question of attitudes and trends within the Territory itself. The second is the important influence of South African domestic opinion, particularly that of the White minority population, on the course of events.

### **Some Internal Considerations**

To begin to understand the current rather chaotic internal Namibia political situation, including South Africa's role in it, one has to appreciate that there are two prevailing but opposed streams of political thought, reflected symbolically in the two names of the country: "South West Africa" and "Namibia."

Those who continue to use the name of *South West Africa* for the Territory generally support a maintenance of the old order, somewhat adapted, based firmly on divisions between the ethnic groups, or, as now more fashionably expressed, on the recognition of minority group rights and of the right of self-determination of each population group. This is not the old pure *apartheid*, as expressed in the Odendaal Report of the 1960s, because there is now the unavoidable acceptance of South West Africa as broadly one country and the impracticality of eleven separate and independent ethnic states. But it remains an approach clearly derived from the apartheid philosophy, and could thus be described as *neo-apartheid*.

This South West African approach is most clearly expressed in the policy of the National Party of South West Africa, which controls the white second-tier Legislative Assembly and which also dominates AKTUR, the alliance of smaller ethnic parties with the National Party. AKTUR maintains that South West Africa consists not of one people, but of *peoples* — "eleven different heterogeneous population groups". As stated to the Western Contact Group:

"AKTUR is convinced that any constitutional structure, or elections held to establish such constitutional structure, which ignores the peculiar composition of the South West African peoples, will not gain the

approval of several of these important groups and is foredoomed to failure.

AKTUR accordingly rejects emphatically the holding of a one-man, one-vote election (the majority-vote principle) for the purpose of constituting a Constituent Assembly, while ignoring the existence of distinct population groups, and also a unitary state in the Westminster pattern, both of which appear to be the meaning of the wording of Resolution 435."

AKTUR further maintains, as does the National Party of South West Africa, that long-term stability can only be provided by a constitution "in the making of which the eleven different ethnic groups all have an equal share", in other words, not an assembly elected by an overall majority or a constitution adopted by a majority, even a two-thirds majority. The subsequent political system for an independent state would, therefore, be based on eleven separate states, each in control of its own affairs, with a loose confederal link between them. (Presumably this system would not exclude closer links between individual states, or peoples, if they so desired.)

This is basically the same as the old Turnhalle concept of 1977, supported by the South African Government until it accepted in 1978 the Western Five's proposals for the independence process. It is clearly not a concept acceptable internationally, and the South African Government appears to have recognised that reality. However, it must be noted that it is substantially the same as the concept on which an envisaged future confederal system for South Africa itself is based.

In contrast, those who speak of *Namibia* see the future independent country as a unitary state, with a strong central government, based on a system of universal suffrage (or more popularly thought of as "one-person, one-vote"). Many would agree to some decentralisation of power to regions or provinces — determined by economic considerations and administrative effectiveness — because of the size of the country. Ethnic divisions are decidedly down-played in this approach, although the different regions (say five or six in number) would no doubt to some extent coincide with or incorporate concentrations of particular population groups.

The Namibians stress the ideal of national unity, rather than the preservation of ethnic group identities, as well as the need to protect individual rights, rather than minority group rights. For them, self-determination is a right for the people of *Namibia* as a whole, whereas South West Africans maintain that each *group* of the population has that right (as does the National Party in South Africa), fearing domination by one group which could wield majority voting power.

At present, with its interim political system, the country is neither South West Africa nor *Namibia*. It lies uncertainly in between the two concepts — an uncertainty reflected in the name *South West Africa/Namibia*.

Moreover, there is no clarity about the direction in which the country is moving. The South African Government, as administering power, has tried to straddle this difference in approach, and has tried to give some weight to both in the present system which was laid down in decree AG8 of the Administrator General. While there was, until recently, a central National Assembly with legislative powers and a Council of Ministers with executive authority, there are also eleven other second-tier governments for the different population groups, each having important functions (e.g. control of education) which the central government, based on the National Assembly, could not touch.

Since the dissolution of the National Assembly and Council of Ministers by the Administrator General in January 1983, the latter, as representative of the South African Government, now exercises the powers, executive and legislative, previously granted to the Assembly and Ministers' Council.

What resulted from the provisions of AG8 was an internal system of government which simply could not and did not work. The central government and the second-tier governments did not co-operate effectively, and in some cases were even in competition. This was most dramatically demonstrated in the contest between the government of the white group, based prominently in Windhoek and controlled by the National Party of South West Africa, and the central government controlled by the Democratic Turnhalle Alliance (DTA).

This was, and still is, also a system which is subject to abuse and which has allowed corrupt practices to grow. It is moreover a very expensive system for a population of just over a million with eleven ethnic governments and one at the centre.

An additional problem has been that the DTA, as the result of its 1978 election victory, is based on a compromise between South West Africans and Namibians, as defined above, and that compromise has broken down. In its statements (particularly since September 1982, when its differences with the South African Government emerged clearly) the DTA and its leader, Mr Dirk Mudge, have been leaning more strongly towards the Namibian viewpoint — that of national unity. But the DTA remains an alliance between different parties representing the ethnic groups (even though several of these parties are no longer representative of majorities in their respective groups). There were also break-aways from the DTA, the most significant being that of Mr Peter Kalangula, head of the Owambo ethnic government, whose party (CDA) is now trying to project itself as a national, rather than ethnic, party — without apparent success as yet.

Confusion becomes compounded the more one examines the internal political system. There are also several well-known parties which are not represented in the National Assembly, because they refused to participate

in the 1978 elections which were not internationally recognised. These parties, which are nationalist and Namibian in approach, such as SWANU (founded before SWAPO), SWAPO-Democrats (established by former SWAPO leaders who rejected the leadership of Sam Nujoma) and the National Independence Party (which operates mainly in the south), have not had the extent of their support formally tested. It is impossible to assess with any accuracy how they would fare in an eventual internationally monitored election in which SWAPO, the DTA and AKTUR also participated. It is likely that some of them would form electoral alliances which would strengthen their positions and reduce the confusing array of parties, thus simplifying the choices for the voters.

It should, however, be mentioned at this point that the widely held belief that there are up to forty different parties in the Territory is clearly a myth. The number of parties or movements of any significance politically, and especially in the event of a national election, is probably well under half that number. If the others exist at all, it is in name only with perhaps a self-elected leader and/or secretary.

If an election were to be held in terms of the present settlement plan, based on Resolution 435, the die would clearly be cast in favour of the Namibian, unitary state, approach, because there will be a "one-person, one-vote" election on a national basis, not on the basis of separate population groups. It is highly unlikely that there would be any turning back from the unitary state concept after that, whichever party or group of parties came into power. For that reason, the 435 plan is vehemently opposed by those who promote the South West African approach.

A variation of the SWA or neo-apartheid approach was recently floated in several South African newspaper reports. The origin of these reports was unclear, but they suggested that consideration was being given in official circles to the idea (not a new one) of a separate Owambo state which would include Owamboland excised from South West Africa and part of southern Angola, so that all the Owambo tribes would be brought together. Speculation that Jonas Savimbi and UNITA would be given the dominant role in this new state, was also contained in the reports. There have been no indications at all in official statements that this idea has been canvassed with the Americans and other members of the Contact Group of Five, or that it has featured in the direct discussions with the Angolans. But it is certainly a plan which would appeal to the National Party of South West Africa and others who are convinced that the ethnic group approach is the only viable one. Moreover, it would have the advantage for them and the South African Government of removing the bulk of SWAPO support from Namibia, thus creating the possibility of a smaller independent Namibia, without a SWAPO Government. A balance between all the other smaller ethnic groups could then be more easily achieved, and the

role of the white group would be proportionately greater, as it would comprise about 15 per cent of the population (whereas it is only about 7 per cent now, with the Owambo included in the total population). However, it is highly unlikely that this idea would be acceptable to Angola or SWAPO, or even to the Owambo people in Namibia themselves.

Whether or not this greater Owambo idea was simply an exercise in kite-flying, without any serious chance of being accepted as part of an overall solution, it is clear that the South West African ethnic approach to the future political dispensation of the Territory is alive and well among Whites and some elements in other groups in the Territory. It is also held by many in South Africa, including no doubt some in the governing National Party, as well as all those in the parties to the Right (HNP and CP). This provides the National Party of South West Africa with influential friends among the Whites of South Africa. It is, therefore, not an approach which can be dismissed as no longer having a significant influence on the political outlook for South West Africa/Namibia. It can, after all, claim to be an approach based on the reality of ethnic differences, reflected not only in the political attitudes of Whites in southern Africa, but also in the fairly exclusive ethnic support for black parties in the Territory, whose leaders proclaim the Namibian idea of national unity, but who do not draw significant national support across all ethnic lines. This includes even SWAPO, with its Owambo origins and current dominant Owambo support.

Ethnic group differences, therefore — whatever the reason for their continued existence, e.g. past South African Government policy — continue to be a divisive influence in the Territory, threatening present and future dispute and conflict. Then, when the current conflict in Zimbabwe between a Government supported by the Shona majority and the Matabele minority is added to the picture, it is not surprising that the strength of the ethnic group approach is reinforced, both in Namibia and among South African Whites.

The escalating internal conflict in Zimbabwe makes all Whites in the Southern African region less and less willing to settle for a unitary state and majority rule system, and it makes them more inclined to ignore the other realities, which are that neither the international community, including the rest of Africa, nor the majority of Blacks in Namibia and South Africa would accept a political system based on ethnic divisions and the partition of their countries. The dilemma lies in how to find a realistic way of changing the deepening perception of Whites and other minorities that they are threatened by much larger groups, while at the same time satisfying the growing political aspirations and demands of those majority groups. Unfortunately, recent developments in Zimbabwe and the dramatic, sometimes one-sided, way in which they are presented in the South African and

South West African media, is serving to increase the level of threat perception and make the resolution of this dilemma even more difficult.

### **South African Domestic Reaction**

This "Zimbabwe factor" has thus helped to aggravate the problem of finding a Namibian settlement generally acceptable to the South African Government, which would allow for the withdrawal of the South African Administration and military forces from the Territory. Given the high priority of security considerations now, the question of a Namibian settlement has become a difficult and sensitive one in South African domestic politics — so sensitive that there is hardly any reasonable public debate about it. Even in Parliament there is no serious discussion of various options which might still be open to South Africa, such as direct negotiation with SWAPO, because of the fear of white public reaction to anything which might be interpreted as a sign of weakness. The Government itself is caught now in a situation where, even if it needs and wants to achieve an internationally acceptable agreement, it would have to face a strong reaction from its own electorate, if the results of that agreement produced what was perceived as an unacceptable result, namely a SWAPO Government in Windhoek. By "its electorate" is meant here the overwhelming majority of white South Africans of all political parties, not simply those supporting the parties of the Right.

In addition, there is the largely unrecognised, but vitally important, factor of black opinion, and the strong likelihood that the reaction of black South Africans would be the opposite of that of Whites. In other words, many of them might interpret the advent of an independent Namibia under a SWAPO Government as a prelude to imminent radical change within South Africa itself. Such an anticipation by Blacks that the "domino" theory applies in Southern Africa, the South African Government is determined to avoid, as it would run completely counter to its constitutional plans for the future.

One cannot minimise the potential domestic political problems that all this creates for a government seeking to implement gradual reform internally, but dependent on a conservative white minority electorate. Looking only at the one side of this picture, namely the views of that white electorate, it is clear that, even if the government wanted to, it, would now find it very difficult to convince Whites that an independent Namibia, under a SWAPO Government (if that should happen), was anything other than a serious threat to South Africa's own interests. From the results of a survey commissioned by the SA Institute of International Affairs in early 1982, it becomes clear that Whites overwhelmingly have a very strong perception of an external communist threat, of which SWAPO is part. Almost 80 per cent of Whites questioned in a representative sample believed that the Gov-

ernment was not exaggerating the extent of this threat. This perception varied according to party affiliations, but the survey indicated that a clear majority of *all* parties agreed with government spokesmen about the external threat. For instance, although 94 per cent of Nationalists agreed (which is not surprising), 56 per cent of PFP supporters also agreed. Along simple language lines, 72 per cent of English-speakers shared the perception of an external threat, compared to nearly 87 per cent of Afrikaans-speakers.

With regard to SWAPO specifically, 72 per cent of those questioned felt that South Africa could win a military struggle against SWAPO in the long run. Here again, although English-speakers tended to be somewhat less hawkish, 60 per cent of them also agreed with this statement. On a question as to whether South Africa should negotiate directly with SWAPO to reach a settlement, the overall hawkish response was maintained, although interestingly the majority dropped in this case to 60 per cent, as against roughly 38 per cent who tended to favour direct negotiations.

The results of the survey have shown that the Government's warnings about an escalation in terrorist activities have not fallen on deaf ears. In fact, there are indications in the results that the white population may now be taking a more pessimistic view on this issue than the Government itself. When presented with the statement that a terrorist war similar to that in South West Africa would in time also develop in South Africa, no less than three out of four indicated agreement. Of the approximately 23 per cent who disagreed, only 3.3 per cent disagreed definitely. On this question, by the way, there was no significant difference between Afrikaans and English-speakers.

The results of this survey do not, of course, answer the question as to whether the statements of political and military leaders about the dangers of a "total onslaught" have served to create this very high degree of threat perception among South African Whites, or whether the Government for its part has simply been responding and giving expression to the views of most of its voters. There are grounds for believing, however, that events around the Republic's borders in Southern Africa during the past decade (including particularly the direct involvement of the Soviet Union and Cuba since 1975), as well as the attitude of the international community generally towards South Africa, have served to develop the strong perception of an external threat, but also that government spokesmen have nurtured and encouraged this perception in an effort to mobilise White opinion behind the concept of a "total national strategy". They have been assisted in varying degrees by most of the South African media, wittingly or unwittingly, and thus a climate of opinion has been created, in which even the Official Opposition in Parliament cannot now objectively debate the issue, without the real threat of losing votes.



This is not to suggest that there is *no* threat to South Africa from external forces, or that the Government is wrong in taking all necessary steps to counter any *real* external threat. But long-term security demands that clarity be sought about the real nature of the threat to the country as a whole — and not just to the Government itself — and about where its roots lie, whether only externally or also domestically within South Africa's own political system. A threat misjudged or misinterpreted cannot be effectively resisted. "Know your enemy" is an old, but always valid, adage.

In this climate of opinion among Whites it is thus very difficult to envisage a Namibian agreement which allows for the possibility of a SWAPO victory. Without a massive effort on the part of the Government and the media to change the climate of opinion, a settlement which includes the withdrawal of South African forces and a UN-monitored election, would be seen by the electorate as a capitulation. Even if the Government feels realistically and objectively that an internationally acceptable resolution of the Namibian conflict — including the risk of a SWAPO electoral victory — is in the best long-term interests of South Africa, its room for diplomatic manoeuvre and its range of options are now severely limited by the white public opinion it has helped to create. It would require a bold act of political courage on the part of the Prime Minister, if he were to take the domestic risks involved, especially at a time when his efforts to launch only a limited process of constitutional reform within South Africa are proving to be more of a struggle than anticipated.

### **Conclusion**

Realistically, therefore, looked at from within the South African domestic political scene, and bearing in mind the political and economic deterioration within Namibia itself, the current prospects for a peaceful process to Namibian independence are not bright. These domestic considerations cannot be ignored; a Namibian settlement does not depend simply on arriving at a satisfactory international agreement. But then, when one adds to this picture the growing instability and insecurity throughout the region of Southern Africa, the likelihood of Namibian independence, in terms of Security Council resolution 435, becomes even more remote.

Whatever the truth about the degree of South African military responsibility for the conflict and insecurity now prevalent in Mozambique, Zimbabwe, Angola and even Lesotho, it is increasingly clear that South African policy now is not only to take pre-emptive action across its borders against the ANC, but also actively to turn back the tide of "foreign" (or "marxist") influence seen to be penetrating the region. These are influences perceived as a threat to South Africa which, in the Government's view, should be recognised as the dominant power of the region. If this is at least part of an evolving regional policy, then it is more offensive in nature than

the rather defensive policy of the past. It is also then no longer a policy which could countenance an independence process in Namibia leading to the introduction of a perceived marxist government in Windhoek.

To attempt to be realistic about the implications for Namibia of apparent South African policy trends is not to suggest that the probable consequences of the settlement efforts can be ignored. While there would be costs, domestic and regional, for the South African Government, if it agreed to an international settlement and independence, there will also be severe costs to be borne if it does not. These will be felt internationally, especially in relations with the West, as well as regionally in growing conflict with neighbour states, and possibly in the longer term domestically, too. Sooner or later these respective costs will have to be balanced frankly and a choice made, a choice which will hopefully be in the interests, firstly, of the Namibian people, but also of peace and order in the region as a whole, including South Africa.

## Aspects of German-South African relations

I propose to discuss in this article some aspects of South African-German relations. It is the field in which I have worked during the last three years, reaping thistles and meales and proteas — now and then a Namibian desert rose being thrown in, which nature seems to have designed for fragrant life, but executed in sandstone.

My review of this relationship will be from the German point of view, taking account of its worldwide political context and implications, as they appear from the banks of the Rhine.

I do not think here primarily of the East-West conflict. Despite such implications, our relationship has an importance all of its own. South Africa is the most powerful country south of the Sahara, with the most dynamic and most efficient modern economy on the continent. It is linked to Germany by innumerable individual, human and historical ties: it should not be forgotten that no other former enemy treated German nationals and German interests more generously after both wars. Many of my countrymen of the middle and older generations remember gratefully what South Africans did to combat starvation and misery among the German people in the years following 1945. Further, I hardly need to mention the cultural ties that are so much alive between us since the very inception of White South Africa. We enjoy a flourishing trade which has not seriously suffered from the downturn of the business cycle, and even in difficult times, it seems to have a beneficial and stabilizing effect on both our economies. All this has its own significance.

As to the East-West implications of our relationship, South Africa likes to consider itself as a bulwark against communism, or as a model of Western standards for Africa. However, the *status quo* in this country drives the intelligent black urban youth and many black community leaders into the

*H.E. Dr Ekkehard Eickhoff* was the German Federal Republic's Ambassador to South Africa from May 1980, to April 1983. This article is the text of an address he delivered to the Witwatersrand branch of the SAIIA, at Jan Smuts House, on 23 March 1983, shortly before his departure from South Africa

arms of Marxism. The West German Government sees in pre-emptive military strikes a violation of the fundamental principles on which international order has resided since the end of the Second World War, when the United Nations Charter was drafted, although South Africa, as you all know, played a major role in the drafting. We fear, moreover, that strikes against neighbouring countries much weaker than the Republic may increase the temptation of those governments to lean on the support, or accept the promises, of the Soviet Union, openly or secretly.

Rather, we see our relationship as a part of the intricate network of interests between North and South, and very much part of North-South tensions and problems. It seems to us, that within her borders and in the region generally, South Africa has to deal with the tasks of improving the chances of survival of economically backward groups, of bridging the political gap between the well-to-do and the poor, the powerful and the weak. It also needs to channel the struggle of black leaders for equal rights and opportunities away from ideological contradiction into constructive dialogue. In our contacts with the various political forces in South Africa, we hope to contribute to such a development. At present, however, contradiction in many quarters seems to prevail.

Of course, the East-West conflict does enter into this field, but we do not see it as a primary cause.

It is realized that the way in which the Federal Republic and the other West European Governments have approached the East-West conflict since 1970 is not understood, and certainly not approved of, by many South Africans. Let me therefore say a few words about our concept of East-West policy and how we see its relationship to Africa and the Third World.

One should state at the outset that such a policy can only be based on an approximate balance of power, and on the will to defend one's rights and freedom. We do not seek confrontation, but we cannot deal with our Eastern neighbours on a basis of strategic inferiority. That is why the subject of INF-armament and the NATO dual track decision is of such importance.

In December 1979, the Alliance decided to create a capacity of 572 medium range nuclear missiles, with deployment of these arms due to commence by 1983, and at the same time to enter into negotiations with the Soviet Union in order to try and reach an agreement on disarmament of such medium range weapons. All this with the understanding that if negotiations should prove successful, we would build less, or even none, of this new arsenal.

The basic motive for the rearmament programme lies in the fact that in Europe there has *always* been a Soviet superiority in conventional arms — tanks, artillery, combat-planes — and *for a long time* a superiority in medium range missiles. This Soviet advantage was balanced in the 'sixties by an American superiority in strategic weapons. During the 'seventies,

however, a strategic equivalence was sanctioned in the SALT II Agreement.

Since 1977, the Soviet Union has been replacing its older medium-range missiles in Europe (SS 3 and SS 4) with the modern SS 20-systems, each of which is equipped with three war heads and has a range of more than three thousand miles. The Soviet Union has thus vastly increased her superiority in this field. The launcher of this missile has a re-load capacity and is mobile, which makes it a potential second strike weapon — i.e. the mass of SS 20-missiles will not be destroyed by a first strike.

Today, the Soviet Union disposes of several hundred SS 20's, and it continues to deploy three new ones every month. Despite recent promises by the late Leonid Brezhnev, this deployment goes on at Russian sites, within range of the European NATO countries. This means that even when Western rearmament has begun, when it has been completed and deployed — 572 missiles with one warhead each — there will still remain a pronounced numerical superiority on the Eastern side. These new American systems, however, will also be mobile and therefore difficult to destroy.

This dual track policy has in the last three years met with some opposition and resistance in the domestic politics of European countries, but governments have adhered to their commitment. Disarmament talks have begun between the United States and the Soviet Union in Geneva, and the Western position has finally elicited a response from Moscow. The Soviet Government did not propose to adopt the so-called Zero Option, i.e. no medium range missiles on either side, but they did make counter-proposals which offer a chance of continuing with serious negotiations.

In the Federal Republic, this course was confirmed three weeks ago by the voters. We know that when talking to the super power which dominates Eastern Europe, we have to stand on firm ground, but we do want a continuous dialogue with our Eastern neighbours and Moscow. The dramatic developments in Poland during the course of the last two years show the vital importance of maintaining contact between the conflicting parties. We certainly do not like the general outcome of these events, but a major conflict and the collapse of the Polish economy have been avoided, martial law rescinded and the population has survived the critical winter of 1981/82 without starvation — due, to a large extent, to private help from Germany and America.

It is common knowledge that the Federal Republic is in the centre of developments between East and West. In a symbolic manner the country and its traditional capital are divided by what we call the deathline which separates the two spheres of power. And, in common with the Poles, Hungarians and other Eastern European people, we try to penetrate that dividing line by an exchange of ideas, information and — as far as possible — of

people, and thus to continue the millennial spiritual unity of European civilization. It is also in the light of this experience and this endeavour, in the context of the enormous vulnerability of our highly developed industrial countries, that we assess the methods of dealing with other political problems of our time. We are within reach of nuclear weapons in East and West, capable of annihilating Europe many times over.

The European nations are tied to the outside world through manifold links: through the civilization we have passed on to other continents, through our colonial past, our economies heavily dependent on foreign trade, and through the global presence and interests of our great American ally. In this way, the tensions and contradictions within Europe, mentioned earlier, are tied to conflicts in other parts of the world: to the present crisis between Israel and her Arab neighbours and to the international problems and tensions in Africa. These conflicts have neither been invented nor staged by Moscow. They have their own historical causes and functions. But they are of significance for the East-West relationship. They are exploited by the Soviet Union and her satellites to serve their own political and ideological ends.

In Africa, these conflicts become part of the plight of Third World countries torn by population pressures, economic misery and political competition for regional dominance. Even nuclear proliferation has become an immediate menace. And these dangerous tensions in turn have an impact on East-West politics in the North. Under these circumstances the German Government does not consider it sufficient merely to strengthen the position of the West against the Soviet Bloc, and to watch out for whatever advantage can be gained to check Soviet power and influence all over the world. Rather, all means must be used, and all avenues explored, to make the other side aware of vital problems we have in common and convince them of the necessity of co-operation in a policy of survival for all mankind.

It is for this reason that we place strong emphasis on the *second* element of the NATO dual track decision: disarmament discussions with Moscow. It is for this reason that we make use of the channels of communication opened between Eastern and Western Europe since the Helsinki Conference.

Where both super powers have the means to annihilate mankind and where conflicts on the European frontier or in the Near East could escalate to nuclear war, it is of *vital* importance to be predictable to the opponent, and to remain on speaking terms with him. It is for that reason that after the change of government last October the Federal Republic continued to demonstrate interest in high level contact with the Soviet Union and Eastern Europe.

During the 'seventies, I personally participated in the preparation and

was present at confidential discussions with Warsaw Pact leaders. In meetings both in Bonn and in the Kremlin, I could form my own idea of the manner in which Soviet leaders such as Brezhnev and Kosygin, Gromyko and Samjatin react — or reacted — and presented their case. I am sure that such an experience is essential for the leading politicians involved. That does *not* mean to pin naive expectations on summit talks. The complex problems between East and West will not be solved simply through informal chats between powerful leaders at the fireplace. But I do not think that it has to be explained further why at least a *limited* measure of consultation and a high degree of mutual cognizance and *predictability* between powers is required for safeguarding world peace.

I mentioned earlier that all means must be used to make the other side aware of vital problems we have in common. The great problems of the Third World: population explosion combined with accelerated exploitation of diminishing resources and mounting tension between North and South are part of these problems. As a political and an industrial power with world-wide interests, the Soviet Union becomes involved everywhere in the aspirations of the Third World. Wherever possible we should try to keep these issues *out* of East-West tensions. Rather, it will remain an urgent task of international policy to direct the possible measure of co-operation even with the Soviet Union and Eastern Europe, to direct the major problems between the North and the South into the constructive avenue of a balance of interests. Some may think that this is an over-optimistic policy, the pursuit of an illusion. However, with a realistic assessment of the dangers entailed by the long term aspects of population increase and nuclear proliferation, I am convinced that there is no rational alternative to such a course. The countries of the non-aligned movement are making an evident effort to free themselves of any foreign involvement, including that of Moscow, and to strengthen the independence they have achieved. If the West wants to use the opportunities inherent in the new course of the non-aligned movement, it must avoid mirroring Soviet policies which have brought that change about. We should not try to impose our own spheres of influence, strongly resented since the 19th century.

Having outlined the approach to relations with the Third World, Africa and South Africa in particular, in a worldwide context it may be added that we do not consider the latter as just a function of Western response to a communist onslaught against South Africa. We see the East-West contest as just *one* significant component of our bilateral relationship.

Next, I would like to deal briefly with a relatively new aspect of German-South African relations: the European dimension. The European Community is not only an economic grouping. Since 1969, European Political Co-operation — EPC — of member governments has become more and more regular, intimate and effective. When Britain joined the Com-

munity in 1973, a further impetus was given to harmonized foreign policy. Joint votes and positions in the United Nations and other international bodies became frequent. In preparing such statements, the country presiding in a given six months period speaks for the others, but all members have equal responsibility in the drafting of statements. There have been common assessments, votes and declarations on Southern African matters, joint diplomatic steps have been taken. The Code of Conduct for companies in South Africa affiliated to Western European business, was the result of common deliberation on a joint stake in South Africa.

The European Parliament of the Community, elected by direct vote of the people since 1979, has become a prominent forum for the discussion of common concerns in the outside world. The European Council reports to it through the presiding national Minister, and Africa and South Africa have figured prominently on the agenda. On the 8th and 9th of February, a Plenary Session debated southern Africa. The presiding Minister, Hans-Dietrich Genscher, delivered a speech on February 9th, and after lively debate, a resolution was passed on South Africa, which reflected not only majority views in the Parliament, but assessments shared by all governments in the Community.

This means that the foreign policy of the Federal Republic, and especially its relations with South Africa, have become very much part of common EC interests and attitudes. Although there remain differences — and two members of the Community (Ireland and Luxemburg) have no official relations with South Africa at all — general government policies are almost identical on all principal points. This is the result of direct contact between the Foreign Offices in the relevant capitals and of close co-operation between Embassies here. Recently, European Political Co-operation has been intensified on a large range of issues. A core of foreign policy developed which survived all internal political changes in member countries, resulting in a new element of continuity and stability in European politics.

It is in this worldwide context and in the light of the European dimension of our foreign policy that I now turn to German views on regional South African matters.

South Africa is very close to the tensions and problems of the Third World. It experiences them on its own soil, and is part of them on its borders. None of these problems and conflicts is quite foreign to the Federal Republic of Germany. We have political and economic relations with *all* African countries concerned, and very close ones with most of them. One of the fundamental insights which we share with our European partners, and which guide our efforts, is that the will to maintain their independence is today the guiding force of African and Third World politics, and that it will remain so for a long time to come. The great challenge, and at the same time the great opportunity, for Western policy towards Africa is to



recognize this and to act accordingly. In the past this relationship was encumbered with the problems of decolonization. The Soviet Union availed itself of this opportunity, with some success — to gain influence in Africa by supporting liberation movements. This process has almost come to an end.

Today, the states of Africa, and those of the Third World generally, are becoming more and more aware of where their *real* problems lie: in their economic and social development and in the preservation of their political and cultural autonomy. They recognize with ever greater clarity that the policy of the Soviet Union is at variance with these objectives. For, in the final analysis, Soviet policy in the Third World is aimed at creating new positions of dependence, and the Soviet Union contributes next to nothing to the economic development of Africa. For that reason, many African states realize that fair co-operation on the basis of independence and equality — such as the Western countries now offer on an increasing scale — accord better with their *true* interests than dependence on the Soviet Union. The Soviet Union will, therefore, have to accept that its words and deeds will be viewed in an increasingly critical light in Africa.

It is the aim and the hope of the Federal Republic of Germany and her partners in the European Community, that peace is preserved in this part of the world. We have attempted to establish continuing co-operation with African countries to develop the economy of the region, and to reduce the tensions amongst themselves and between them and the North. Our policy will thus fully take into account the basic desire of black African states for political and economic independence. In giving our sincere support to the desire of these countries for genuine independence, we ally ourselves with the strongest idea that motivates Third World politics. In this interdependent world of ours, we expect to be paid back in kind: that is to say with *mutual confidence*.

One of the means to implement such a policy is the encouragement of regional alliances and regional co-operation. We have been gratified by the results of close and regular consultations between the European Community and ASEAN, (the Association of South-East Asian Nations). We shall strive to establish a similar relationship of mutual confidence with African regional groupings.

In the context of these aims, the two permanent problems on our minds are Namibia and racial discrimination. They remain the basic obstacles to harmonious relations between us and both South Africa and the whole of Black Africa. They offer the Soviet Union a permanent chance for enhancing its credit and furthering its aims on this continent. We do not complain about them to please South Africa's Black African neighbours or the majority of the United Nations. We discuss these problems because they cause us *concern and anxiety*. The longer they remain unsolved, the more

they threaten to attract the interference of powers foreign to this continent. In this way, a situation can be created such as confronts us in the Near East, threatening world peace and remaining resistant to all efforts at settlement and conciliation. I think that most of South Africa's neighbours are very much aware of this danger. Not very long ago I mentioned in a televised interview with the South African Broadcasting Corporation in the context of current negotiations between South Africa, the United States and Angola, our hope to see all foreign military presence removed from this part of the world. I was pleased to learn that this statement won great acclaim in Maputo. I am assured by my Western colleagues there that the Frelimo Government, though very much concerned with its own internal difficulties and worried about the possibilities of South African intervention in Mozambique, is stoutly against any East Bloc military support within her own borders.

I see in this desire for independence, basically opposed to all interference of foreign powers, one of our best chances for reaching an internationally recognized settlement in Namibia under present circumstances. The current talks between Angola and the United States and between South Africa and Angola can have great significance for Namibia. Disengagement and normalization in southern Angola can improve the chances of implementing Security Council Resolution 435, which is accepted by all parties and by the international community as the legitimate gateway to Namibian nationhood. Another element of hope, apt to dispel suspicion and fear, is the fact that all the major political forces concerned have agreed to the constitutional principles proposed by the Five for an independent Namibia.

In South Africa, the transformation of the present power structure based on racial segregation will remain for a long time to come the central political issue for the whole region. Therefore Germany follows with great interest all changes taking place and all reform proposals. It is recognized that serious difficulties confront the South African Government in this sphere. European observers were intrigued by developments during the course of last year, when constitutional reform became the prime topic of parliamentary and public debate and broke up the cherished unity of the National Party. Other population groups and other countries may have viewed all this with less fascination, and some with indifference, but I see great significance in the change initiated within the white community and in their political concepts. The claim to white power monopoly is being sacrificed by the proposed composition of the Cabinet and the standing committees.

We believe that only an open dialogue between Government and authentic spokesmen of all population groups can lay the foundation for a peaceful and prosperous future, and we hope that South Africans will recognize this necessity and develop new attitudes to approach such a dialogue. It is hoped that this development will gain momentum. Repression

and infringement of human rights cannot be helpful in such a process.

During the last three years we have, moreover, witnessed important changes in labour relations. Trade unions have attained new significance. Government and management have taken steps to facilitate the role of truly representative unions in shaping more stable labour relations. The European countries of the Community strive through private enterprise to contribute to this development. Here I discern a new attitude towards black South Africans, a growing willingness to accept their share of responsibility in a field of vital economic and social importance. However harassment and frequent detentions of Trade Union leaders run counter to these achievements. One should not forget in this context the strong links of traditional solidarity that exist worldwide in the trade union movement. The importance of our own trade unions and the impact of their opinion on German politics can hardly be overestimated.

Exactly the same holds true for the churches in Germany. They have long-standing ties with the South African churches. If this relationship should be disturbed and interrupted, this would certainly aggravate public criticism from church quarters in general. It would also deprive the German churches of the opportunity to base their opinion on objective and first-hand information.

We have witnessed serious and large-scale endeavours to extend and improve black education, including higher education and technical training. In special programmes of scholarships and teacher upgrading, the Federal Republic tries to assist through private and government channels. It seems to me that this assistance is welcome on all sides. The Western European countries and Germany, in particular, have a stake in the economic progress and general stability in Southern Africa. We sincerely hope that a tendency to exclude large parts of the black population from economic opportunity and from civil rights in a developed South Africa will cease. I think, of course, of the black people in the homelands and in white rural areas. We welcome each measure to overcome segregation and every step towards greater co-operation in Southern Africa. We sincerely hope that all concerned, out of their own free will and conviction, will in future refrain from threats and violence.

Finally, I would like to make one point quite clear: whenever the German Government or German political parties criticize phenomena in South Africa, they do not do so from a position of moral superiority. Given the background of our own history in this century we have certainly no right to condemn other people for not mastering their race problems. Rather, such criticism originates from our concern for the South African people and our interest in their prosperity. It is our hope that in a world of dynamic change, peaceful economic, social and political transformation will have its way in South Africa and enable us to stamp on our political

relations the quality of friendship and confidence which is their manifest destiny.

## Oil in the Middle East: the rise and fall of OPEC

### **Economics versus Politics**

It is hardly possible to understand the present situation in the field of international oil, much less to predict its future, before a crucial question regarding the key factor in this field is answered: Is OPEC, the Organisation of Petroleum Exporting Countries, a political organisation whose members use oil and petrodollars as means towards their collective or separate political ends? Or is it an economic grouping forced into using political means aimed at profit maximisation?

Traditionally, much unclarity has surrounded this question, whose significance cannot be exaggerated. After all, nearly the whole world is involved in a political-economic confrontation with OPEC, and it is the central argument of this paper that the failure to realise what OPEC is, what OPEC wants, how OPEC goes about trying to get what it wants — the failure to give satisfactory answers to these questions has been chiefly responsible for the relative ease with which OPEC was able to get the rest of the world, to use the hackneyed pun, over a barrel.

Recent developments seem to substantiate what a small group of economists (M. Adelman of MIT, G.F. Singer of the University of Virginia and a few others) have been arguing all along: OPEC is an economically motivated organisation, using political means for one reason only, namely, that they are the only effective means available to it. Furthermore, every member of OPEC individually, without exception, has always based its decision-making on the same principle.

The aim, profit maximisation, is self-explanatory though not straightforward: in deciding on the way in which a natural resource can best be used for a country's benefit, there are numerous considerations that must be weighed: the short *vs.* long run, available reserves, competition by other producers and by substitutes, optimisation of development policies,

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questions of political, social and religious stability, as well as the needs of the members of the decision-making elite, which are never insignificant.

Delving into all these questions, with respect to each oil exporting country, will serve no useful purpose in this paper. Suffice it to say that there are substantial differences in this crucial respect between two major groups within OPEC, namely, the so called "low absorbers" and "high absorbers". The former group consists of those countries that are sparsely populated, have relatively low development needs, and can therefore afford to take a long-range view — particularly since it so happens that their oil reserves are larger than those of the "high absorbers." Saudi Arabia is the best example of the "low absorbers". The latter group, the "high absorbers," consists of densely populated countries with huge development requirements, such as Iran, Nigeria or Indonesia. Naturally, they take a different approach. By and large, their oil reserves are low, while their immediate needs are alarming. For them, questions of oil substitutes or the price of crude in the year 2000 are merely academic.

Under these briefly-sketched circumstances, it is hardly surprising that decision-making in OPEC has never been easy, or simple to understand. This has been a very useful factor, as far as OPEC was concerned, in creating a smoke-screen that was the most essential factor in advancing OPEC's aim.

This need for a smoke-screen is part of the general scheme of things that decreed that OPEC use political means to attain its economic goals. The international oil situation which had prevailed until 1960, the year OPEC was established, consisted of a combined economic-political domination by gigantic corporations, backed by their Western Governments, over the weak and disunited producing countries. OPEC's first objective, changing the terms of contracts and concessions awarded to the corporations, required a strong measure of political unity.

This objective was achieved by 1971, when the Teheran Agreement between OPEC and the oil corporations set forth the new rules of the game — more control by governments over production and pricing decisions, higher royalties, fairer profit-sharing. The stage was then set for the next push — higher prices.

Indeed, crude oil prices began to increase at the turn of the last decade. Between 1969 and 1973 (*before* the "oil embargo"), the price of a barrel of oil quadrupled, from the vicinity of 70 US cents to about \$2.90. Yet this increase was too slow and too modest to suit the needs of OPEC's militants.

The problem facing OPEC was quite unusual: how can an international cartel, dominating only about 50 per cent of the market, increase the price of its product *without* reducing supply? The law of supply and demand decrees that, unless demand has increased, the only way to increase the price

is to reduce supply. Yet here we encounter a paradoxical dilemma: when a cartel reduces its supply by allocating production quotas to its members, any individual member stands to gain by breaking away from the cartel and selling more than its quota for the higher price.

Aware of both this variation of the familiar "prisoner's dilemma" and the need of many of its members to maximise their immediate income, OPEC could never resort to a quota system (as its failure to do so in 1982 indicates). The only way out was to push up demand: if panic prevails in a crucial market, demand is likely to increase, without regard to the price. The way to create such a panic is obviously political in nature, and the golden opportunity to do so came in late 1973.

### **The Crunch of '73**

In reviewing the events of October-November, 1973, which shook the whole world and fundamentally changed the global energy picture, several background factors have to be borne in mind.

In the arena of world politics, the decade of decolonization has brought about basic changes in the structure of international relations. The "Third World" has assumed a majority in the UN, and an atmosphere was created in the West which tended to support almost any demand made by the newly decolonised nations.

In a word, "Third World awareness" has become a predominant concept in world politics.

In the arena of international economics, the industrial world enjoyed a period of unprecedented expansion. As a result, the prices of primary commodities shot up, and the terms of trade of primary producers, most of them underdeveloped countries, have improved. At the same time, a growing concern was raised about the sufficiency of global resources. Most notably but not exclusively, a group of Western intellectuals, statesmen and businessmen, called "The Club of Rome", issued in 1968 a much-publicised call to halt world economic growth before it depletes the finite stock of world raw materials.

Crude petroleum was prominent among the resources under threat, according to this view. Simplistic calculations predicted that the world will run out of oil during the last decade of this century. Scant attention was paid to the fact that the world has *always* had enough oil for 30 years. How ridiculous such claims (still being made today) really are, can be seen from the fact that in 1968, nobody suspected that Mexico's reserves are second only to Saudi Arabia's, if not second to none, while the North-Sea and the North Slope of Alaska fields were still on the drawing boards.

While everyone will agree that forecasting the future of oil use is difficult, I argue that it is utterly impossible. On the supply side, new discoveries are made daily, using new technologies. On the demand side, naturally,

higher prices — inevitable when supply is low — bring about conservation, economy and changes in consumption patterns. At the same time, exploration is encouraged. Still, at the time under discussion, the early 1970's, it was fashionable to believe that oil was running out. Thus, those prophets of doom unwittingly contributed to the psychological conditions that brought about the crisis.

In the Middle Eastern arena, several more events helped in creating the appropriate background to the 1973 crisis. Politically, Arab frustration at the state of affairs in the protracted Arab-Israeli conflict was creating a mounting sense of impending crisis, possibly war.

Economically, OPEC, as previously stated, had managed to score important gains in its campaign against the oil companies.

The spark and the powder-keg finally met in October 1973. Egypt and Syria launched a surprise attack on Israel. Soon the United States and the Soviet Union became involved, to the extent of alerting their nuclear forces, and a sense of global military crises prevailed.

Then OAPEC, the Organisation of Arab Oil-Exporting Countries, dropped its bombshell. As part of the total Arab onslaught on Israel, and in retaliation for their support of Israel, the US and the Netherlands were placed under an oil embargo. In support of this embargo, OAPEC members announced a phased production cut of 5 per cent per month, until the objectives of the embargo had been attained, namely that the world at large, and the embargoed countries in particular, should cease all military, political and economic aid to Israel. (Iraq, by the way, refused to take part in the embargo).

In the heat of the moment, facts that should have been obvious, were ignored or obscured by interested parties: first and foremost, that a selective embargo simply could not be implemented, because the oil producing countries, while in partial or even full control over production, were in no position to control or even follow up on distribution.

However, the oil companies, realising on which side their bread was buttered, shifted their allegiance from consumers to producers at the onset of the crisis. Thus, while doing their best to maintain regular production and supply of crude oil, they fully participated in the charade staged by some of the producing countries, and for a very transparent motive: the price of oil on the free market shot up to unprecedented and unexpected heights. Ever since then, even to this very moment, the oil companies have been full participants in the producers' efforts to obscure the situation of world oil and give it as many political overtones as possible.

They did not bother, for instance, to make public their knowledge of the technical state of Saudi Arabia's most important oil fields. Following on several years of accelerated output, due to the previous increase in oil prices, Saudi Arabia had reached a state of reduced well-pressure that made



it absolutely necessary to shut down many facilities for repair. In other words, the self-imposed, "politically motivated" production cuts were in fact dictated by the engineers. This fact only became public knowledge in 1975.

A few OAPEC members did voluntarily observe these production cuts. Others, however, including militants like Iraq and Libya, preferred to jump on the bandwagon (at the time, they could not yet hope it would last much longer), and produced just as much as they could, as did non-Arab members of OPEC. As a result, OPEC's total output during the last quarter of 1973 was less than 10 per cent below the second quarter's, while non-OPEC countries contributed much to close the gap (see Table I, II, III). However, the two things that played in the producers' favour proved far more crucial than objective facts and figures: first, the United States was thrown into chaos, mainly through unbelievable ineptitude, confusion, and red tape on the Administration's part, although the oil companies put in their share. The root cause lay in the fact that in America, petroleum and its products were regulated at the time. So that when the free market price reached, say, \$9 per barrel in November, and all over the world suppliers were cheerfully tearing up contracts and entering new, improved ones, American distributors were not allowed to sell a barrel of oil for more than \$5.50. Small wonder that imports at the time fell through the floor, or that domestic producers were trying to export their oil.

Gas-lines and black market, scrambles and profiteering, in one word, discombobulation, simply because a few politicians and bureaucrats failed to realise what was going on, and were not content, unlike their European counterparts, to let the market take its course.

Another crucial point was that while the producing countries were united, co-ordinated, confident and power-drunk, the consumers were split, disorientated, confused and feeble. No effort was made to brow-beat OPEC. No effort was made to co-ordinate policies, to share the burden, to dominate the companies, to do anything. If ever there was a situation in international affairs of "each man for himself and the Devil take the hindmost", this was it.

And then the embargo was called off, in March 1974. Ironically, about a week or two after the US Congress had approved the Administration's request for giving Israel the largest military and economic aid package to date. Was the oil embargo a failure, then? It is interesting to note that even those analysts who regard the Arab-Israeli conflict as the hinge around which the global energy situation revolves, do not think the embargo had failed.

Perhaps subconsciously, everyone knows the truth: contrary to "conventional wisdom", the 1973-1974 embargo was an economic action that came as a provident solution to the perplexing "prisoner's dilemma" dis-

cussed above.

It is likely that OPEC was even more successful than it had anticipated. After all, while it could have been expected that the consuming nations would not stand united, or that the oil companies would follow the scent of windfall profits, no-one could have forecast the extent of these trends, and of course, America's discombobulated reaction seems incredible even now.

And so, early in 1974, when the price of crude oil had stabilised at \$11.65 per barrel (having stood at \$2.90 in June, 1973), the pressure was released and a gloating OPEC stood back to watch a disarrayed world painfully adjusting itself to the new realities. Nearly six years were to pass before anyone, other than a small group of heretic economists, dared question the basic assumptions of this "reality", namely:

- That the price of oil can be determined by the producing nations, arbitrarily, with no reference to market forces;
- That this determination of prices is primarily a political act, concerned mainly with the Arab-Israeli conflict;
- That the huge financial reserves accumulated by some oil producers, the so-called "low absorbers", can equally be manipulated at will;
- That despite major political differences, the major oil producers are basically pro-Western, and are acting judiciously so as not to hurt Western economies too much;
- That on the West's part, there should be a corresponding intention to consider Arab grievances, so as to create a more auspicious background for economic dealing;
- That the West's overriding concern, in the Middle East and to an extent elsewhere, is the protection of the oil fields and the routes leading to them

### **How Sheik Yamani Saved the World**

Of the following period, up to 1980, it is difficult to speak with the utter conviction of someone who knows the truth and really understands what has happened. The facts of the situation seem obvious, yet the interpretations given them by most of the world's economic and political analysts seem so erroneous, that one must perforce ask a question: is it really possible that the majority could be so wrong, and the minority so right? Only hindsight gives some confidence. The shambles of one prediction after another, made by the most respectable and influential members of the majority, speak for themselves.

In 1976, President Carter presented his nation with an overall strategy for energy independence, which he dubbed "the moral equivalent of war". In its basic assumptions, two ominous predictions were included; that by 1985, Saudi Arabia alone would have to produce 16 million barrels a day,

to meet global demand; and that by this time (1982), the Soviet Union might have become a net importer of oil.

However, today Saudi Arabia produces less than 6,5 m.b.d. and we still have a glut. And the Soviet Union is doing quite well as far as oil is concerned — even exporting some, to buy grain.

It is not difficult to provide further examples of misguided and misleading predictions, but our main concern here is to characterise this period, by distinguishing between events and non-events.

The major events of the period constituted a permanent tug-of-war between the two largest OPEC exporters; Saudi Arabia and Iran, the former trying to keep prices lower, the latter trying to push them higher.

The major non-event consisted of a total misrepresentation of their motives. It is curious, though, that whereas Saudi Arabia was depicted as trying to save the West in spite of its follies, the price-hawks were never identified by name.

If Saudi Arabia was acting as a true friend of the West, notably the USA, how was it then that the Shah was trying to counteract it, when he was an even truer friend, and furthermore, was more reliable, ruling over a more stable regime? Thus the "hawks" were never identified, while the "doves" in OPEC presented to the world an image of undeserved friendship.

As a matter of rational analysis, both the Saudi and the Iranian motives were clear. Saudi Arabia, naturally, had to take care of a much longer-term perspective. The real economic danger facing it was that oil substitutes would become viable through the higher price of oil. At the same time, its rapidly accumulating petrodollars were yielding very little, due to a variety of reasons, which the limitations of space preclude one from detailing here, because it could import only so much, even under conditions of inflation and corruption.

Iran, for its part, with its large impoverished population, grandiose development schemes, political unrest as well as inflation and corruption, needed all the money it could get in the short run, and perforce paid little attention to the longer term view.

Other OPEC members took positions somewhere between these two extremes, depending on their own domestic situations. The result was that all the OPEC conferences, beginning in September 1973 and up to the present, have been tug-of-war matches between the "low absorbers", led by Saudi Arabia, and the "high absorbers" led by Iran.

The only kind of politics that has come into this economic play was when the various protagonists used political means *within* OPEC to obtain the results they favoured; such as when the Shah intervened personally in a meeting of the Gulf producers in December 1973, to push through his demand for a new benchmark price of \$14 per barrel, against a Saudi pro-

posal of \$7,50; or when Saudi Arabia decided in 1977 to increase its production to nearly 12 m.b.d. following an OPEC conference that refused to accept its demand to increase prices by 5 per cent only. This action was designed to brow-beat other OPEC members and force them to toe the Saudi line.

Without entering into the details of the various developments that took place during that period, the upshot was a state of affairs in which OPEC was making economically motivated decisions, and the rest of the world was giving them a political interpretation.

This interpretation took several forms, in various degrees of sophistication. In its most simplistic, as put forward by such people as George Ball, former US Assistant Secretary of State, for instance, it read something like this: OPEC is split between moderates and radicals; the moderates are friendly towards the West, the US in particular, and wish it no harm; on the contrary, they contribute a lot to the West's wellbeing, by producing more oil than they need to, by thwarting the radicals' efforts to increase the price, and by keeping their financial reserves in Western banks. This attitude is poorly appreciated by the West, which continues to ignore the moderates' legitimate political grievances, thus exposing them to increasing pressures by the radicals. These pressures cannot be resisted indefinitely, and if the moderates were to yield, as eventually they must, untold havoc will befall the West.

All one can really comment on this view is that despite its widespread hold, it had nothing whatever to do with reality. It was augmented, however, by a differently slanted approach, focusing mainly on the strategic dimensions of the situation. This school argued that the major strategic concern of the West in the Middle East lies in the Persian (or Arabian) Gulf region, not in the Mediterranean region of the Middle East, since the former is where most of the oil lies. Various dangers jeopardise Western interests in that region, such as Soviet encroachment, domestic instability, radicalisation of regimes and internecine strife. The West, therefore, has to do all in its power to secure its interests there, even at the expense of admittedly important interests in other parts of the Middle East, such as the survival of Israel.

The tenacity of these views and the widespread belief in them were such that despite the fact that rational analysis could from the start show them to be fallacious, and more curiously, despite the fact that events since 1979 have already proven them to be totally worthless, they still enjoy currency in many corridors of power and ivory towers.

This should be attributed primarily to a major propaganda campaign launched by the interested parties: the oil-exporting countries themselves, led by the amazing Sheik Ahmed Zakkie el-Yamani, Saudi Arabia's suave, urbane oil minister; the oil companies, who realised early in the game that

by pushing forward this view they could prolong the atmosphere of crisis that granted them windfall profits year after year; and by the various industrial concerns that found endless marketing opportunities in the petrodollar economies: military hardware, industrial equipment, construction contracts, luxury items and so on.

All these joined in the enormous propaganda campaign, masterminded by persons who left high positions of authority to become agents for the oil countries — George Ball, Clifford Clark, Fred Dutton, several ex-US Ambassadors to Saudi Arabia, even Spiro Agnew and Billy Carter, (for all the good they did) and many others.

Regrettably they were joined by many professors who compromised their integrity for lucrative chairs and research grants. They were aided and abetted by the fact that their arguments were straightforward and offered an easy way out, and thus would appeal to the public at large; while their reputation required a sophisticated academic exercise, involving much knowledge of facts and figures, a cool rational analysis and worst of all, offered no easy solution in the foreseeable future. It is also possible that the fact that the Jews were singled out to take the blame for the world's economic plight was a contributing factor.

Be all this as it may, this was the prevailing mood of the time, and heretics were really persecuted: I knew a gentleman who used to be vice-president of a large American bank, until he began to question this conventional wisdom; the last time I heard of him, he was still looking for a job. And he was not the only one.

The real damage done by the prevalence of these views lay in the fact that they diverted the attention of the powers-that-be from the realities of the situation, thus preventing them from doing what they could to change it. The 1970's will forever bear the mark of incompetence, in that the whole world was allowed to suffer heavy economic losses, none of which were inevitable. The heaviest toll was paid, as usual, by the weakest, the poor underdeveloped countries, who had nothing whatever to do with the Arab-Israeli conflict, or with Soviet machinations in the Gulf, yet saw their hopes for development evaporating in the pyre of oil import bills.

### **The Hare was Hidden in Iran**

One of the results of the misrepresentation of the world oil crisis during the 1970's was that scant attention was paid to Iran. As previously stated, it did not suit the purposes of the Saudi lobby to name the Shah as the real motive force behind the "radicals", since they could not square this with their argument that the "moderates" were pro-West, and the "radicals" anti-West.

Nevertheless, the fact remains that it was Iran that occupied centre court at each and every turning point in the long story of Middle East oil: in

1953, when the dominance of the oil companies over local governments was asserted; in 1960, when OPEC was established; in 1964, when it was the first OPEC member to negotiate a better deal with the oil companies, relying on OPEC's political clout; in 1971, when the Teheran Agreement was signed between OPEC and the companies, setting up the new rules of the game; and in 1973, when it virtually forced the other oil producing nations to set the prices as high as the traffic could bear.

Small wonder, then, that when the eyes of the world were on Saudi Arabia as the dominant force in OPEC, events in Iran brought about the change in its fortunes. During 1979, Iran was upset by political turmoil, leading eventually to the exile of the Shah and later to the establishment of an Islamic Republic under Ayatollah Khomeini. Iranian oil production, which reached nearly 6 m.b.d. in the heyday of 1977-78, fell, as a result of the turmoil, to less than 3 m.b.d. in 1979. The next year it fell even lower, to 1 m.b.d. in September, 1980.

The world's reaction to the situation in Iran was again one of panic. The establishment in 1974 of the International Energy Agency, a Western organisation designed to provide for the co-operation and co-ordination of energy policies in the event of another oil shortfall, did little to alleviate the renewed scramble. Retrospectively, this crisis, too, was mainly artificial. A US Congressional inquiry uncovered the curious fact that during the summer of 1979, when Americans were spending hours on end in "gas lines", and a rationing system of sorts was in force, the oil companies registered the largest ever inventories of refined oil products (including petrol), refineries were working at full capacity, and full tankers were demurred outside several harbours. At the same time, most oil companies registered tremendous increases in their pre-tax profits, better than 100 per cent from quarter to quarter. The posted price of oil, hovering around \$12 per barrel for most of the 1970's, shot up to cross the \$20 line, reaching \$26 in January, 1980.

Saudi Arabia, which has tried all along to keep the price lower for reasons of its own — all economic, none political — has had no choice but to keep up with the rest of OPEC, for two main reasons: first, its own expenses were expanding, in keeping with Parkinson's famous law, to meet available income.

It now needs an income of about \$90 000 million a year to meet its enormous development budget, military expenditures, current imports and regular budget, not to mention the private pockets of numerous dignitaries headed by the expanded royal family, as well as mounting inflation and sheer wastage.

Another reason was that, quite unnoticed, Western economies were adjusting to higher fuel costs, by significantly reducing the demand. It may be argued that some of the reduction in demand is accounted for by recess-

sion, and undoubtedly demand will pick up again with recovery. But the introduction of one energy-saving device after another has brought about a basic change that is here to stay. Whereas in the 1960's, 1 per cent increase in the level of economic activity entailed a 1,3 per cent increase in energy consumption, the ratio for the late 1970's was 1:0,9 in the USA, and even less in other Western countries.

Yet another development was a shift to alternative energy sources, mainly coal, and the discovery of many new oilfields all over the world, particularly in Mexico. According to some authorities, the real push for exploration was given by the price increase of 1979, rather than 1973, and since it takes about 5 years to develop a field, the future promises even more oil.

*The upshot of all these events fully vindicated Saudi Arabia's caution:* they were the only ones who saw the writing on the wall, which became a reality in September 1980, when Iraq attacked Iran.

Almost overnight, two of the largest oil exporters in the world virtually disappeared from the market. How did this affect the world? One is reminded of Sherlock Holmes's famous question: what was the curious thing the dog did that night? Elementary, Watson; it did not bark. In 1979, Iraq and Iran between them accounted for an average of 6,5 m.b.d. (and more than that in previous years). In 1981, they produced about 2 m.b.d., and needed most of them to fuel their own war economies.

The world reacted by showing a surplus of about 2 m.b.d.

The Iraqi-Iranian war has lain bare the basic political assumptions behind the energy situation. Far from depending on political developments on the periphery, oil production depends on the situation in and among the producers themselves. The Western world, despite all its protestations that the protection of the oil fields was its paramount strategic objective in the Middle East, stood helpless when the second and third largest oil exporters were cheerfully burning up each other's installations.

More importantly, this time no amount of artificially induced panic could camouflage the fact that there was, and still is a glut, and since (perhaps most significantly) the Shah of Iran was no longer around to whip up prices — the market remained calm. This shows, in retrospect, that had the world been able to react as calmly in 1973, perhaps the whole energy crisis would not have come about, or at least not have been as devastating.

Looking out into the future, *very* cautiously, what can we expect? As far as the economic fundamentals of the situation are concerned, more of the same for many years to come. The rate of new oil discoveries can confidently be assumed to pick up, as well as the rate of production. Too many oil producing countries are too much in need of money, for OPEC to be able to do now what it has never been able to do, namely, regulate production quotas. Much more so when OPEC today produces less than even the

17,5 m.b.d. it set for itself in an emergency conference in February, 1982, or the 18,5 m.b.d. agreed on in December, 1982, and provides less than a half of the free world's needs, for the first time since the oil crisis began. (See Table IV).

At the same time, demand cannot be expected to increase sufficiently to tighten up the market. The changes in consumption must be regarded as fundamental and long-lasting, and it is precisely the memory of 1973 that will prevent a return to the reckless guzzling of oil that characterized the pre-73 period.

All this leaves one major question: what is likely to happen after the Gulf War is over, when both Iran and Iraq start producing as much oil as they can, in order to obtain money to rehabilitate themselves? It seems to me that this will be the start of a cut-throat competition between oil producers, which will result in the collapse of OPEC and a free for all, buyers' market for oil.

Yet if this takes place, some consequences are sure to follow: at current production levels, many OPEC governments and not only the "high absorbers", already feel a financial pinch. Can their regimes survive a massive loss of revenue? Certainly not all of them. On the other hand, a change of regime in itself does not automatically entail a cessation of or decline in production. A revolutionary government in Saudi Arabia, for instance (which I do not see as even a remote possibility), will still need to finance itself expansively. On the other hand, political upheavals affecting a number of producers to such an extent that production will cease or decline considerably, will do the trick.

And so I come to a paradoxical conclusion. At long last, the political factor has come into its own. Having been flaunted needlessly for a decade, it now seems destined to determine the near future of world oil, after the economic factor has run its course: if political stability in and among the producers prevails, OPEC will no longer have the means to maintain its unity and will eventually disintegrate, yet this in itself may well undermine that political stability, thus leading to unpredictable events.

### **Postscript**

The central analysis and arguments which appear in this paper were first presented by myself to an energy panel at the CSIR in Pretoria, in June 1982. I subsequently presented an updated version, on which this article is based, to the Pretoria branch of the SAIIA in November of that year.

Meanwhile, further events have occurred. During February-March 1983, OPEC was forced to lower its official benchmark price for the first time in its history (from \$34 to \$29 per barrel), and in doing so, shattered once and for all the myth that the market forces alone determine the price of oil. This move was forced upon OPEC by external forces — producers



not associated with it, notably Britain — which exerted massive pressures on its weakest link, the vulnerable “high absorbers”.

Again, a quota system was announced, in which the needs of the “high absorbers” seem to have been given better consideration than in the past. The “low absorbers” undertook to cushion the blow by agreeing to severely reduced quotas, yet even so the total 17,5 m.b.d. still exceeds current demand for OPEC oil. Therefore the stability prevailing in the international oil market at the time of writing can only be temporary, and so the main conclusions of this paper hold good.

Although Saudi Arabia’s willingness to cut down production to less than 5 m.b.d. is surprising, I see it as signifying its desperate wish to prevent the total collapse of OPEC. Also, oil exploration the world over seems to be on the decline, with all the implications this trend has on future oil supply.

Iran and Iraq still represent the unknown factor in the international energy equation. If and when they resume unhindered production, (and let us bear in mind that both countries did not and could not abide by their quotas in the past, and are not likely to do so in the future), OPEC’s demise will, in my view, become inevitable.

TABLE I

Crude Oil production in December 1973

As a percentage of average monthly production in 1973, 1974

Selected producing countries, m. b. d.

Producer	a production December 73	b Average 1973	c Average 1974	d a as % of b	e a as % of c
1. OAPEC Countries					
Saudi Arabia	6,614	7,596	8,480	87,1	78,0
Kuwait	2,549	3,020	2,546	84,4	100,1
Libya	1,768	2,182	1,642	81,0	107,7
Abu Dhabi	1,031	1,307	1,419	78,9	72,7
Algeria	0,901	1,074	1,021	83,9	88,2
Oman	0,302	0,293	0,291	103,1	103,8
Qatar	0,456	0,570	0,521	80,0	87,5
Iraq	2,159	1,932	1,849	111,7	116,8
2. Non-Arab OPEC					
Venezuela	3,381	3,366	2,976	100,4	113,6
Iran	6,107	5,897	6,056	103,6	100,8
Nigeria	2,281	2,057	2,254	110,9	101,2
3. Non-OPEC					
USA	9,063	9,208	8,765	98,4	103,4
Canada	1,828	1,797	1,701	101,7	107,5

Source: *Petroleum Economist*, Nov. 1975

TABLE II

Comparative Crude Oil Production:  
Months of December, 1973, 1974, January, 1974, 1975.  
Major Free World producers, m. b. d.

Producer	Dec. 73	Dec. 74	Jan. 74	Jan. 75
USA	9,063	8,352	8,907	8,439
Canada	1,828	1,654	1,823	1,580
Venezuela	3,381	2,831	3,288	2,739
Nigeria	2,281	2,063	2,198	1,984
Iran	6,107	5,945	6,136	5,575
Iraq	2,159	2,184	1,821	2,072
Saudi Arabia	6,614	8,042	7,519	7,890
Kuwait	2,549	2,324	2,835	2,078
Libya	1,768	0,975	2,032	0,970
Abu Dhabi	1,031	1,213	1,223	0,820
Algeria	0,901	0,890	1,132	0,888
Total major producers	37,7	36,5	38,9	35,0

Source: *Petroleum Economist*, Nov. 1975

TABLE III

Comparative Crude Oil Production, OAPEC Members.  
Selected periods, m. b. d.

Producer	1972 ave.	1973 ave.	1974 ave.	Dec. 1973	Jan. 1974	Feb. 1974	March 1974
Saudi Arabia	6,033	7,596	8,480	6,614	7,519	7,793	8,135
Kuwait	3,292	3,020	2,546	2,549	2,836	2,846	2,842
Libya	2,206	2,182	1,642	1,768	2,032	1,945	1,882
Abu Dhabi	1,053	1,307	1,419	1,031	1,223	1,248	1,499
Algeria	1,051	1,074	1,021	0,901	1,132	1,081	1,019
Oman	0,283	0,293	0,291	0,302	0,299	0,295	0,292
Qatar	0,484	0,570	0,521	0,456	0,518	0,518	0,518
Iraq	1,434	1,932	1,849	2,159	1,821	1,828	1,837

Source: *Petroleum Economist*, Nov. 1975

TABLE IV  
World Production of Crude Oil, 1972-1981, m. b. d.

Producer	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
OPEC	26,9	31,0	30,7	27,2	30,8	31,4	29,9	30,8	27,1	22,7
Saudi Arabia	5,7	7,6	8,5	7,1	8,6	9,2	8,3	9,5	10,0	9,8
Iran	5,1	5,9	6,1	5,4	5,9	5,7	5,2	3,1	1,5	1,3
Iraq	1,5	2,0	1,9	2,2	2,4	2,5	2,6	3,4	2,7	0,9
Nigeria	1,8	2,1	2,3	1,8	2,1	2,1	1,9	2,3	2,1	1,4
Kuwait	3,0	3,0	2,5	2,1	2,2	2,0	2,1	2,5	1,7	1,1
Venezuela	3,3	3,4	3,0	2,3	2,3	2,2	2,2	2,4	2,2	2,1
Non-OPEC										
Free World	17,2	14,2	16,5	16,2	16,4	17,4	18,7	19,8	20,8	n.a.
USA†	8,8	10,9	10,5	10,0	9,8	9,8	10,3	10,2	10,3	10,3
Mexico	0,4	0,5	0,7	0,8	0,9	1,1	1,3	1,6	2,1	2,6
UK	neg.	neg.	neg.	neg.	0,2	0,8	1,1	1,6	1,7	1,8
Total Free World	44,1	45,2	47,2	43,4	47,2	48,8	48,6	50,6	47,9	n.a.
Total World	53,0	58,1	58,2	55,3	59,8	62,1	62,7	64,8	62,5	n.a.
OPEC production as % of:										
World	55,8	53,3	52,7	49,1	51,5	50,6	47,7	47,5	43,4	40?
Free World	61,0	68,6	65,0	62,7	65,2	64,3	61,5	60,9	56,6	50?

† Note: Including natural gas liquids, except for 1972.

Sources: For 1972, *Middle East & North Africa Yearbook*, 1975-76.

For all other years, *Petroleum Economist*, March 1982.

## Book Review

CONTEMPORARY TERROR: STUDIES IN SUB-STATE VIOLENCE

Edited by David Carlton and Carlo Schaerf

MacMillan Press, 1981

These studies in "sub-state violence" are based on the course of the International School on Disarmament and Research on Conflicts held at Ariccia, Italy, in August 1978. The participants came from many states and were thus in a position to debate the subject of "terrorism" from many angles. The result is a little disappointing, being largely a further statement of many of the ideas and facts that are the substance of other works on the subject. Moreover, the book lacks a coherent theme and is, as the sub-title suggests, a series of quite distinct studies on a number of aspects of the broad phenomenon of "terrorism".

However, the book is useful for students in so far as it does summarise much of the material and also because within it lie a number of more interesting and unusual contributions. It is perhaps not surprising that the more detailed "case studies", of which there are four included in the volume, yield the best material, and among these that by *Frank Wright* of Queen's University, Belfast, stands out. His study of *The Ulster spectrum* is a concise and interesting account of the background to violence in the six counties of Northern Ireland. It is less concerned with the immediate violence than with the economic and social conditions of such violence. The relationship between conditions and the structure of "contemporary terror" are analysed, looking deeply into such issues as housing and employment. The study is supported by that of *J. Boywer Bell*, *The Irish Republican Army*, who tells us who some of the leading IRA men have been. For students who wish to know about the circumstances and origins of West German and Italian groups, there are also two detailed chapters, competent but not strikingly novel in their approach and now somewhat overtaken by events. Thus the serious intermingling of more orthodox criminals and politically motivated terrorists is scarcely mentioned, indeed the book is written as if such distinctions were always very clear and the "political terrorist" were a definite social category — the exception to this being the analysis of Frank Wright on Ulster, and occasional references by other writers, notably the fluent and sharp chapter by *David Carlton* on *The future of political sub-state violence*. Similarly, the dynamic impact of prison life on the development and organisation of "terrorism", a truly contemporary dimension and relevant to Italy, Germany and the United Kingdom, is neglected.

While most of the chapters of the book are self-contained and hold few links with the other contributions, some themes crop up, almost accidentally it would seem. The most startling is the relationship between "terror-

ism" and the decline of the sovereign state. A number of the authors suggest that some such relationship exists; in effect, therefore, they are suggesting that "terrorism" is effective and successful in so far as it has threatened the very independent existence of the state as we know it. David Carlton poses the question; "Are we at the beginning of the end of the sovereign national state?" Other writers follow the theme; *Bernard Feld* in the context of the risks of nuclear violence by terrorists — *Nuclear violence at the non-governmental level* — argues that the sovereign state cannot cope with the problems and that "the exercise of old style national sovereignty is tantamount to international anarchy". But such deep themes are never pursued in this book, and even David Carlton leaves us in two minds. On the one hand lies the possibility that sovereignty is eroded by the pressures of terror, and on the other is the "scope" for *ad hoc* agreements between states, reinforced by the failures and inadequacy of interstate agreements on a larger scale. The reader is thus left no wiser, does the future lie with the state or with international co-operation? *William Gutteridge*, in a *Summary of Discussions*, is optimistic about international ties, even with Communist states and Third World countries he tells us, while others show no such optimism.

If the book is largely another factual account of "problems" and examples with no penetrating analysis of the role of the state or international agreements, there is also no direct examination of the moral question. "One man's terrorist is another man's freedom fighter" we are told on numerous occasions, by several of the authors. The reader is left to assume that moral criteria are irrelevant and confusing. Does this mean that "terrorism" is to be regarded as an acceptable and explicable part of the political system? It would seem to be so, even if the conditions within which such activity arises are so complex and difficult as Frank Wright explains for the case of Northern Ireland. One is left to pose the question that if the conditions *explain* terrorism, and if the political system allows no alternatives, why are they so condemned? This volume raises the key issues, notably the moral element and the question whether terrorism is not to be condemned at all times, whatever the factors that motivate the activists; but does not explore them.

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## Books received for review

NUCLEAR POWER IN THE DEVELOPING WORLD

Popeman

*George Allen & Unwin. £14,95, hc.*

SOVIET POLICY FOR THE 1980s

Brown and Kaser, eds.

*Macmillan Press Ltd. £20,00, hc. £7,95, pb.*

ROOTS OF REVOLUTION

Keddie

*Yale University Press. £21,00, hc. £4,15, pb.*

THE NON-CONFORMIST CONSCIENCE

Bebbington

*Macmillan South Africa. £29,50, hc.*

RUSSIA AT THE CROSSROADS

Baiker & Gustafson eds.

*Macmillan South Africa. £45,50, hc.*

EUROPEAN DIRECT INVESTMENT IN THE USA BEFORE THE WORLD WARS

Buckley & Roberts

*Macmillan South Africa. £38,25, hc.*

THE NEW INTERNATIONAL DIVISION OF LABOUR

Froebel, Heinrichs & Kreye

*Macmillan South Africa. £26,10, pb.*

IS THERE A FUTURE FOR MARXISM?

Callinicos

*Macmillan South Africa. £16,60, pb.*

WHY NATIONS REALIGN

Holsti et al.

*Macmillan South Africa. £46,50, pb.*

GAME THEORY AND EXPERIMENTAL GAMES

Colman

*Pergamon. £17,25, hc. £8,95, pb.*